

November 3, 2020

1. Corporate Relationship Department  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001.
2. Manager – Listing  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051.

**Sub.: Outcome of the Board Meeting of Kansai Nerolac Paints Limited held on November 3, 2020**

- 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,

The Board of Directors of Kansai Nerolac Paints Limited ("the Company") has, at its meeting held today i.e. on Tuesday, November 3, 2020 ("Board Meeting"), *inter alia*, considered and approved:

- (i) the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and six months ended on September 30, 2020 ("Unaudited Financial Results").
- (ii) Payment of interim dividend of Rs.1.25 (Rupee One and paise Twenty-five only) per equity share of the face value of Re. 1 (Rupee One) each for the financial year ending March 31, 2021. The interim dividend will be paid to the members whose names appear in the Register of Members as on the 'Record Date', viz. Friday, November 13, 2020 on or after Friday, November 27, 2020.

The Board Meeting commenced at 11.50 a.m. and concluded at 2. 55 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; and (ii) Limited Review Report dated November 3, 2020, 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 issued on the Unaudited Financial Results is also enclosed herewith.

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.

For **KANSAI NEROLAC PAINTS LIMITED**

**G. T. GOVINDARAJAN**  
**COMPANY SECRETARY**

Encl.: As above.

**Independent Auditor's Review Report on the Quarterly and Year to Date 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 September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (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

**S R B C & C O L L P**

Chartered Accountants

Kansai Nerolac Paints Limited  
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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

ANILKUMAR  
CHANDUBHAI  
JOBANPUTRA

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CHANDUBHAI JOBANPUTRA  
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email=anil.jobanputra@erb.in  
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**per Anil Jobanputra**  
Partner  
Membership No.: 110759

UDIN: 20110759AAAAEZ2090

Place: Mumbai  
Date: November 03, 2020

## KANSAI NEROLAC PAINTS LIMITED

Registered Office: Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013  
 Tel: +91-22-24934001; Fax: +91-22-24973704; e-mail: investor@nerolac.com  
 Website: www.nerolac.com CIN: L24202MH1920PLC000825

## STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

Sr. No.	Particulars	For the quarter ended			For the six months ended		For the year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
a.	Revenue from Contracts with Customers (Net of Discounts and Rebates)	1278.03	590.43	1236.98	1868.46	2693.80	4915.20
b.	Other Operating Revenues	10.06	7.62	6.54	17.68	13.19	27.97
	Total Revenue from Operations	1288.09	598.05	1243.52	1886.14	2706.99	4943.17
	Other Income	4.34	7.93	3.94	12.27	10.45	26.86
	Total Income	1292.43	605.98	1247.46	1898.41	2717.44	4970.03
2	Expenses						
a.	Cost of Materials Consumed	736.72	230.06	756.84	966.78	1466.05	2722.18
b.	Purchase of Stock-in-Trade	87.49	43.47	63.50	130.96	131.99	284.23
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(41.68)	75.44	(54.22)	33.76	71.71	51.21
d.	Employee Benefits Expense	63.97	64.50	69.36	128.47	136.91	269.38
e.	Finance Costs	1.11	1.32	1.24	2.43	2.50	5.00
f.	Depreciation and Amortisation Expense	33.03	31.83	28.64	64.86	56.42	119.88
g.	Other Expenses	182.21	104.07	195.11	286.28	438.38	834.55
	Total Expenses	1062.85	550.69	1060.47	1613.54	2303.96	4286.43
3	Profit before exceptional items and tax	229.58	55.29	186.99	284.87	413.48	683.60
4	Exceptional item (Refer note 4)	(10.82)	-	-	(10.82)	-	-
5	Profit before tax	218.76	55.29	186.99	274.05	413.48	683.60
6	Tax Expense (Refer note 6)						
a.	Current Tax	56.79	14.23	29.75	71.02	101.03	166.33
b.	Deferred Tax	3.42	(1.65)	(36.15)	1.77	(28.84)	(18.13)
	Total Tax Expense	60.21	12.58	(6.40)	72.79	72.19	148.20
7	Profit for the Period	158.55	42.71	193.39	201.26	341.29	535.40
8	Other Comprehensive Income						
	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.60)	(0.60)	(0.58)	(1.20)	(1.16)	(1.37)
	(ii) Income tax on item that will not be reclassified to Statement of Profit and Loss	0.15	0.15	0.09	0.30	0.29	0.35
9	Other Comprehensive Income (net of tax)	(0.45)	(0.45)	(0.49)	(0.90)	(0.87)	(1.02)
10	Total Comprehensive Income	158.10	42.26	192.90	200.36	340.42	534.38
11	Paid up Equity Share Capital (Face value of ₹ 1 each)	53.89	53.89	53.89	53.89	53.89	53.89
12	Other Equity						3732.98
13	Earnings Per Equity Share (of ₹ 1 each) (not annualised)						
a.	Basic	2.94	0.79	3.59	3.73	6.33	9.94
b.	Diluted	2.94	0.79	3.59	3.73	6.33	9.94

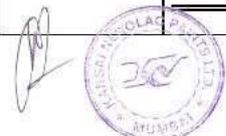


## KANSAI NEROLAC PAINTS LIMITED

UNAUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2020

₹ in Crores

		As at			
		30.09.2020		31.03.2020	
		(Unaudited)		(Audited)	
<b>A</b>	<b>ASSETS</b>				
1	<b>Non-current Assets</b>				
	Property, Plant and Equipment	1565.96		1594.61	
	Capital Work-in-progress	195.39		164.43	
	Right of Use Assets (ROU)	103.10		111.06	
	Investment Property	0.18		0.18	
	Other Intangible Assets	1.93		2.79	
			1866.56		1873.07
	Financial Assets:				
	Investments	139.10		149.92	
	Loans	14.30		14.88	
			153.40		164.80
	Non-Current Tax Assets (Net)		141.97		145.33
	Other Non-current Assets		120.02		145.87
	<b>Total Non-current Assets</b>		2281.95		2329.07
2	<b>Current Assets</b>				
	Inventories		911.22		930.14
	Financial Assets:				
	Investments	262.19		305.10	
	Trade Receivables	859.59		674.50	
	Cash and Cash Equivalents	285.25		163.61	
	Bank Balances other than Cash and Cash Equivalents	2.81		2.67	
	Loans	5.82		4.30	
	Other Financial Assets	5.84		6.09	
			1421.50		1156.27
	Other Current assets		134.54		176.96
	<b>Total Current Assets</b>		2467.26		2263.37
	<b>Total Assets</b>		4749.21		4592.44
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	Equity Share Capital	53.89		53.89	
	Other Equity	3763.58		3732.98	
	<b>Total Equity</b>		3817.47		3786.87
	<b>Liabilities</b>				
2	<b>Non-current Liabilities</b>				
	Financial Liabilities:				
	Lease Liabilities	42.80		49.04	
	Deferred Tax Liabilities (Net)	86.44		84.97	
	<b>Total Non-current Liabilities</b>		129.24		134.01
3	<b>Current Liabilities</b>				
	Financial Liabilities:				
	Lease Liabilities	11.62		10.97	
	Trade Payables:				
	Total Outstanding dues of Micro Enterprises and Small Enterprises	68.17		32.51	
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	558.12		487.00	
		626.29		519.51	
	Other Financial Liabilities	88.55		99.10	
		726.46		629.58	
	Other Current Liabilities	43.19		23.02	
	Provisions	18.95		15.65	
	Current Tax Liabilities (Net)	13.90		3.31	
	<b>Total Current Liabilities</b>		802.50		671.56
	<b>Total Liabilities</b>		931.74		805.57
	<b>Total Equity and Liabilities</b>		4749.21		4592.44



## Notes:

- 1 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 3rd November 2020. These standalone results have been subjected to "limited review" by the statutory auditors of the Company. Limited review report does not contain any qualification. The review report has been filed with stock exchange and is available on the Company's website.
- 2 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.
- 3 As the Management Committee monitors the business activity 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.
- 4 Exceptional item represents impairment of investment in subsidiary viz. Kansai Paints Lanka (Private) Limited amounting to ₹ 10.82 Crores owing to revision in business plan consequent to the ongoing disruption from COVID-19 pandemic.
- 5 The Code on Social Security, 2020 ('the Code') has been notified in the Official Gazette on 29th September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.
- 6 The Company had chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. This had resulted in reversal of tax expense of ₹ 55.08 Crores and ₹ 34.43 Crores for the quarter and six months ended 30th September, 2019 respectively. Accordingly, the tax expense for the period and consequently, the profit after tax is not comparable with the corresponding figures of the previous period.
- 7 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.
- 8 The Board of Directors have approved a payment of interim dividend of 125% (₹ 1.25 per equity share) of the face value of ₹ 1 each for the financial year ending 31 March, 2021.
- 9 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

Place: Mumbai  
Date: 3 November 2020



## KANSAI NEROLAC PAINTS LIMITED

UNAUDITED STANDALONE CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER, 2020

₹ in Crores

Particulars	Six months ended 30.09.2020 (Unaudited)		Six months ended 30.09.2019 (Unaudited)	
<b>Cash Flow From Operating Activities</b>				
<b>Profit Before Tax</b>		<b>274.05</b>		<b>413.48</b>
Adjustments for:				
Depreciation and Amortisation Expenses	64.86		56.42	
Fair Value Gain on Financial Instruments recognised through FVTPL	(4.82)		(3.84)	
Unrealised Foreign Exchange Gain (Net)	(1.80)		(0.56)	
Profit on Sale of Current Investments (Net)	(0.88)		(4.69)	
Interest Income	(2.85)		(0.65)	
Profit on Sale of Property, Plant and Equipment (Net)	(0.44)		(0.12)	
Finance Cost	2.43		2.50	
Impairment loss allowance on trade receivables	3.87		1.55	
Provision / liabilities no longer required written back	(8.23)		-	
Impairment of non-current investment	10.82		-	
		62.96		50.61
Operating Profit Before Working Capital Changes		<b>337.01</b>		<b>464.09</b>
(Increase) in Trade and Other Receivables	(142.54)		(236.55)	
Decrease in Inventories	18.92		123.85	
Increase / (Decrease) in Trade Payables, Other Financial Liabilities and Provisions	133.28		(59.25)	
		9.66		(171.95)
Cash Generated from Operations		346.67		292.14
Direct Taxes Paid (Net of Refunds)		(57.07)		(38.97)
<b>Net Cash Flows generated from Operating Activities</b>		<b>289.60</b>		<b>253.17</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment and Other Intangible Assets (including Adjustments on Account of Capital Work-in-progress, Capital Creditors and Capital Advances)	(38.81)		(106.95)	
Proceeds from Sale of Property, Plant and Equipment	0.47		0.14	
Purchase of Investments in Subsidiaries	-		(29.11)	
Purchase of non-current Investments	-		(0.13)	
Purchase of Current Investments	(1795.00)		(8151.74)	
Proceeds from Sale/Redemption of Current Investments	1843.61		8202.64	
Interest Received	2.85		0.65	
Proceeds from / (Investments in) fixed deposits	-		(0.04)	
<b>Net Cash Flows generated/(used in) from Investing Activities</b>		<b>13.12</b>		<b>(84.54)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of long-term Borrowings	(3.40)		(6.31)	
Payment of Lease Liabilities	(7.92)		(8.05)	
Dividend Paid	(169.76)		(140.12)	
Dividend Distribution Tax Paid	-		(28.80)	
<b>Net Cash Flows (used in) Financing Activities</b>		<b>(181.08)</b>		<b>(183.28)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		<b>121.64</b>		<b>(14.65)</b>
<b>Cash and Cash Equivalents at beginning of the period, the components being:</b>				
Cash on Hand	0.10		0.12	
Cheques on hand	3.55		25.03	
Balances with Banks	33.99		52.89	
Deposit with Banks with less than 3 months maturity	125.13		-	
Effect of exchange rate fluctuation	0.84		0.84	
		163.61		78.88
<b>Cash and Cash Equivalents at end of the period, the components being:</b>				
Cash on Hand	0.09		0.09	
Cheques on hand	13.47		19.52	
Balances with Banks	27.67		43.78	
Deposit with Banks with less than 3 months maturity	243.18		-	
Effect of exchange rate fluctuation	0.84		0.84	
		285.25		64.23
<b>Net increase/(decrease) as disclosed above</b>		<b>121.64</b>		<b>(14.65)</b>

## Notes:

(i) Figures in brackets are outflows/deductions.

(ii) The above Cash Flow Statement is prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7) – Statement of Cash Flows



**Independent Auditor's Review Report on the Quarterly and Year to Date 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 September 30, 2020 and year to date from April 01, 2020 to September 30, 2020 (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 (Formerly known as RAK Paints 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.
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 assets of Rs. 282.93 Crores as at September 30, 2020, total revenues of Rs. 86.26 Crores and Rs. 122.15 Crores, total net profit/(loss) after tax of Rs. 3.10 Crores and Rs. (5.07) Crores, total comprehensive income/(loss) of Rs. 4.31 Crores and Rs. (4.73) Crores, for the quarter ended September 30, 2020 and for the period ended on that date respectively, and net cash outflows of Rs. 8.09 Crores for the period from April 01, 2020 to September 30, 2020, 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

# **S R B C & C O L L P**

Chartered Accountants

Kansai Nerolac Paints Limited  
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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 S R B C & C O L L P**  
Chartered Accountants  
ICAI Firm registration number: 324982E/E300003

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JOBANPUTRA

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date: 2020.11.03 15:25:40  
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**per Anil Jobanputra**  
Partner  
Membership No.: 110759

UDIN: 20110759AAAAEY7982

Place: Mumbai  
Date: November 03, 2020

## KANSAI NEROLAC PAINTS LIMITED

Registered Office: Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013  
 Tel: +91-22-24934001; Fax: +91-22-24973704; e-mail: investor@nerolac.com  
 Website: www.nerolac.com CIN: L24202MH1920PLC000825

## STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

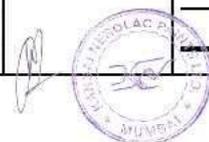
Sr. No.	Particulars	For the quarter ended			For the six months ended		₹ in Crores
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	For the year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
a.	Revenue from Contracts with Customers (Net of Discounts and Rebates)	1373.54	631.37	1319.57	2004.91	2852.87	5250.40
b.	Other Operating Revenues	9.67	7.55	5.98	17.22	15.09	29.57
	Total Revenue from Operations	1383.21	638.92	1325.55	2022.13	2867.96	5279.97
	Other Income	4.81	8.16	4.33	12.97	11.10	25.53
	Total Income	1388.02	647.08	1329.88	2035.10	2879.06	5305.50
2	Expenses						
a.	Cost of Materials Consumed	791.91	250.69	809.60	1042.60	1564.42	2921.96
b.	Purchase of Stock-in-Trade	88.29	43.81	63.93	132.10	133.96	287.73
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(40.60)	79.57	(57.05)	38.97	70.72	48.92
d.	Employee Benefits Expense	75.24	74.81	79.27	150.05	156.61	310.37
e.	Finance Costs	5.42	5.51	4.83	10.93	9.46	20.91
f.	Depreciation and Amortisation Expense	39.30	37.92	33.84	77.22	66.86	142.12
g.	Other Expenses	199.80	113.22	210.92	313.02	469.67	906.53
	Total Expenses	1159.36	605.53	1145.34	1764.89	2471.70	4638.54
3	Profit before tax	228.66	41.55	184.54	270.21	407.36	666.96
4	Tax Expense (Refer note 5)						
a.	Current Tax	68.14	14.39	31.27	72.53	103.79	172.07
b.	Deferred Tax	2.56	(2.48)	(36.65)	0.08	(31.04)	(20.89)
	Total Tax Expense	60.70	11.91	(5.38)	72.61	72.75	151.18
5	Profit for the Period	167.96	29.64	189.92	197.60	334.61	515.78
6	Other Comprehensive Income						
a.	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.60)	(0.60)	(0.67)	(1.20)	(1.25)	(1.78)
	(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss	0.15	0.15	0.11	0.30	0.31	0.35
b.	(i) Items that will be reclassified to Statement of Profit and Loss	1.21	(0.87)	4.48	0.34	0.22	(3.80)
	(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-	-
	Total Other Comprehensive Income	0.76	(1.32)	3.92	(0.56)	(0.72)	(5.23)
7	Total Comprehensive Income	168.72	28.32	193.84	197.04	333.89	510.55
8	Profit for the period attributable to:						
	Owners of the Company	168.20	33.47	190.77	201.67	336.79	521.01
	Non-controlling interests	(0.24)	(3.83)	(0.85)	(4.07)	(2.18)	(5.23)
		167.96	29.64	189.92	197.60	334.61	515.78
9	Other Comprehensive Income attributable to:						
	Owners of the Company	0.76	(1.32)	3.95	(0.56)	(0.69)	(5.04)
	Non-controlling interests	-	-	(0.03)	-	(0.03)	(0.19)
		0.76	(1.32)	3.92	(0.56)	(0.72)	(5.23)
10	Total Comprehensive Income attributable to:						
	Owners of the Company	168.96	32.15	194.72	201.11	336.10	515.97
	Non-controlling interests	(0.24)	(3.83)	(0.88)	(4.07)	(2.21)	(5.42)
		168.72	28.32	193.84	197.04	333.89	510.55
11	Paid up Equity Share Capital (Face value of ₹ 1 each)	53.89	53.89	53.89	53.89	53.89	53.89
12	Other Equity						3706.41
13	Earnings Per Equity Share (of ₹ 1 each) (not annualised)						
a.	Basic	3.12	0.62	3.54	3.74	6.25	9.67
b.	Diluted	3.12	0.62	3.54	3.74	6.25	9.67



UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2020

₹ in Crores

		As at			
		30.09.2020		31.03.2020	
		(Unaudited)		(Audited)	
<b>A</b>	<b>ASSETS</b>				
1	<b>Non-current Assets</b>				
	Property, Plant and Equipment	1685.59		1698.33	
	Capital Work-in-progress	197.42		169.10	
	Right of Use Assets (ROU)	111.24		132.54	
	Investment Property	0.17		0.18	
	Goodwill	19.78		19.78	
	Other Intangible Assets	51.95		55.56	
			2066.15		2075.49
	Financial Assets:				
	Investments	0.85		0.85	
	Loans	14.54		15.12	
			15.39		15.97
	Non-Current Tax Assets (Net)		157.53		157.74
	Other Non-current Assets		120.07		145.88
	<b>Total Non-current Assets</b>		<b>2359.14</b>		<b>2395.08</b>
2	<b>Current Assets</b>				
	Inventories		987.35		1008.35
	Financial Assets:				
	Investments	262.19		305.10	
	Trade Receivables	963.76		786.98	
	Cash and Cash Equivalents	301.74		180.21	
	Bank Balances other than Cash and Cash Equivalents	13.91		11.82	
	Loans	6.58		4.87	
	Other Financial Assets	5.05		3.58	
			1553.23		1292.56
	Other Current assets		144.34		187.63
	<b>Total Current Assets</b>		<b>2684.92</b>		<b>2488.54</b>
	<b>Total Assets</b>		<b>5044.06</b>		<b>4883.62</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	Equity Share Capital	53.89		53.89	
	Other Equity	3737.77		3706.41	
			3791.66		3760.30
	Non-controlling Interest		17.61		21.68
	<b>Total Equity</b>		<b>3809.27</b>		<b>3781.98</b>
	<b>Liabilities</b>				
2	<b>Non-current Liabilities</b>				
	Financial Liabilities:				
	Borrowings	20.31		23.44	
	Lease Liabilities	46.57		52.78	
	Provisions	0.10		0.07	
	Deferred Tax Liabilities (Net)	114.12		108.11	
	<b>Total Non-current Liabilities</b>		<b>181.10</b>		<b>184.40</b>
3	<b>Current Liabilities</b>				
	Financial Liabilities:				
	Borrowings	156.51		149.82	
	Lease Liabilities	11.62		10.97	
	Trade Payables:				
	Total Outstanding dues of Micro Enterprises and Small Enterprises	70.51		40.69	
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	614.78		554.70	
		685.29		595.39	
	Other Financial Liabilities	106.61		100.72	
		960.03		856.90	
	Other Current Liabilities	56.14		38.53	
	Provisions	23.69		18.44	
	Current Tax Liabilities (Net)	13.83		3.37	
	<b>Total Current Liabilities</b>		<b>1053.69</b>		<b>917.24</b>
	<b>Total Liabilities</b>		<b>1234.79</b>		<b>1101.64</b>
	<b>Total Equity and Liabilities</b>		<b>5044.06</b>		<b>4883.62</b>



## Notes:

- 1 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 3rd November 2020. These consolidated results have been subjected to "limited review" by the statutory auditors of the Holding Company. Limited review report does not contain any qualification. The review report has been filed with stock exchange and is available on the Holding Company's website.
- 2 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.
- 3 As the Management Committee monitors the business activity 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.
- 4 The Code on Social Security, 2020 ('the Code') has been notified in the Official Gazette on 29th September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted by Holding Company and subsidiary companies incorporated in India in the period in which the said Code becomes effective and the rules framed thereunder are published.
- 5 The Holding Company and Subsidiary companies incorporated in India had chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. This had resulted in reversal of tax expense of ₹ 55.08 Crores and ₹ 34.43 Crores for the quarter and six months ended 30th September, 2019 respectively. Accordingly, the tax expense for the period and consequently, the profit after tax is not comparable with the corresponding figures of the previous period.
- 6 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.
- 7 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

Place: Mumbai  
Date: 3 November 2020



## KANSAI NEROLAC PAINTS LIMITED

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER, 2020

₹ in Crores

Particulars	Six months ended 30.09.2020 (Unaudited)		Six months ended 30.09.2019 (Unaudited)	
<b>Cash Flow From Operating Activities</b>				
<b>Profit Before Tax</b>		<b>270.21</b>		<b>407.36</b>
Adjustments for:				
Depreciation and Amortisation Expenses	77.22		66.86	
Fair Value Gain on Financial Instruments recognised through FVTPL	(4.82)		(3.84)	
Unrealised Foreign Exchange Gain (Net)	(1.80)		(0.56)	
Profit on Sale of Current Investments (Net)	(0.88)		(4.69)	
Interest Income	(3.24)		(1.04)	
Profit on Sale of Property, Plant and Equipment (Net)	(0.44)		(0.06)	
Finance Cost	10.93		9.46	
Impairment loss allowance on trade receivables	4.54		2.93	
Provision / liabilities no longer required written back	(8.23)		-	
		73.28		69.06
Operating Profit Before Working Capital Changes		<b>343.49</b>		<b>476.42</b>
(Increase) in Trade and Other Receivables	(135.98)		(245.16)	
Decrease in Inventories	21.00		114.46	
Increase/ (Decrease) in Trade Payables, Other Financial Liabilities and Provisions	129.48		(63.05)	
		14.50		(193.75)
Cash Generated from Operations		357.99		282.67
Direct Taxes Paid (Net of Refunds)		(61.85)		(43.73)
<b>Net Cash Flows generated from Operating Activities</b>		<b>296.14</b>		<b>238.94</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and Equipment and Other Intangible Assets (including Adjustments on Account of Capital Work-in-progress, Capital Creditors and Capital Advances)	(42.21)		(102.85)	
Proceeds from Sale of Property, Plant and Equipment	0.47		1.07	
Payments for Acquisition of Subsidiaries	-		(29.11)	
Purchase of non-current Investments	-		(0.13)	
Purchase of Current Investments	(1795.00)		(8151.74)	
Proceeds from Sale/Redemption of Current Investments	1843.61		8202.64	
Interest Received	3.24		1.04	
Investments in fixed deposits	(1.95)		(8.92)	
<b>Net Cash Flows generated/(used in) from Investing Activities</b>		<b>8.16</b>		<b>(88.00)</b>
<b>Cash Flows from Financing Activities</b>				
(Repayment) of/ Proceeds from Long-term Borrowings	(3.40)		(9.81)	
(Repayment) of/ Proceeds from Current Borrowings	(9.40)		6.58	
Payment of lease liabilities	(7.92)		(8.05)	
Finance Cost	(8.39)		(9.46)	
Dividend Paid	(169.76)		(140.12)	
Dividend Distribution Tax Paid	-		(28.80)	
<b>Net Cash Flows (used in) Financing Activities</b>		<b>(198.87)</b>		<b>(189.66)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>		<b>105.43</b>		<b>(38.72)</b>
<b>Cash and Cash Equivalents at beginning of the period, the components being:</b>				
Cash on Hand	1.03		2.28	
Cheques on hand	3.55		25.03	
Balances with Banks	49.67		65.22	
Deposit with Banks with less than 3 months maturity	125.13		-	
Bank Overdrafts and Cash Credit	(75.26)		(66.57)	
Effect of exchange rate fluctuation	0.84		0.84	
		104.96		26.80
<b>Cash and Cash Equivalents at end of the period, the components being:</b>				
Cash on Hand	1.21		3.46	
Cheques on hand	13.47		19.52	
Balances with Banks	43.04		56.80	
Deposit with Banks with less than 3 months maturity	243.18		-	
Bank Overdrafts and Cash Credit	(91.35)		(92.54)	
Effect of exchange rate fluctuation	0.84		0.84	
		210.39		(11.92)
<b>Net increase/(decrease) as disclosed above</b>		<b>105.43</b>		<b>(38.72)</b>

## Notes:

(i) Figures in brackets are outflows/deductions.

(ii) The above Cash Flow Statement is prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7) – Statement of Cash Flows



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Website: www.nerolac.com CIN: L24202MH1920PLC000825

## STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2020

₹ in Crores

Particulars	Standalone						Consolidated						
	For the quarter ended			For the six months ended			For the year ended	For the quarter ended			For the six months ended		For the year ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Total Income from Operations	1288.09	598.05	1243.52	1886.14	2706.99	4943.17	1383.21	638.92	1325.55	2022.13	2867.96	5279.97	
Net Profit for the Period (before Tax and Exceptional items)	229.58	55.29	186.99	284.87	413.48	683.60	228.66	41.55	184.54	270.21	407.36	666.96	
Net Profit for the Period before tax (after Exceptional items)	218.76	55.29	186.99	274.05	413.48	683.60	228.66	41.55	184.54	270.21	407.36	666.96	
Net Profit for the Period after tax (after Exceptional items)	158.55	42.71	193.39	201.26	341.29	535.40	167.96	29.64	189.92	197.60	334.61	515.78	
Total Comprehensive Income for the Period	158.10	42.26	192.90	200.36	340.42	534.38	168.72	28.32	193.84	197.04	333.89	510.55	
Equity Share Capital	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89	
Other Equity						3732.98						3706.41	
Earnings Per Equity Share (of ₹ 1/- each) (not annualised)													
Basic	2.94	0.79	3.59	3.73	6.33	9.94	3.12	0.62	3.54	3.74	6.25	9.67	
Diluted	2.94	0.79	3.59	3.73	6.33	9.94	3.12	0.62	3.54	3.74	6.25	9.67	

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 and six months ended 30 September, 2020.

For KANSAI NEROLAC PAINTS LIMITED


H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTORPlace: Mumbai  
Date: 3 November 2020

**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.

Exceptional 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 100<sup>th</sup> 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](http://www.nerolac.com) .