

Press Release**Mumbai, August 3, 2020****Kansai Nerolac Paints Ltd Announces Q1 Results FY 2020-2021**

Mumbai, August 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 first quarter of financial year 2020-21. For the quarter, the company declared Net revenue of Rs. 598.1 Crores, a de-growth of 59.1 % over the corresponding quarter of the previous year.

EBIDTA was at Rs. 80.5 Crores, a de- growth of 67.7 % over the same quarter of the previous year. PAT was at Rs 42.7 Crores, a de-growth of 71.1 % 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**, "There was an unprecedented demand destruction this quarter due to the lock down imposed on account of COVID -19. Both sales and bottom-line was impacted as a result. Sales in April were a complete washout across. Sales of Decorative has seen revival in May and June with the company registering double digit volume growth in both the months. Industrial sales continued to be impacted in both May and June due to the slow recovery of the end customers.

Despite the severe drop in topline, an aggressive cost control program and judicious management of overheads helped the company report profit. EBITDA drop was also contained to just 350 basis points. Basic raw material prices were benign this quarter though there was volatility in forex rates.

Looking forward, the company is optimistic that demand recovery would continue. Due to frequent lockdowns and COVID cases across, managing the eco system of supply chain is becoming a bigger challenge. However, with multiple plants the company is in a better position to manage it though it is creating a logistic challenge".

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 turnover 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 .