KANSAI NEROLAC PAINTS LIMITED

July 25, 2013

Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E)
Mumbai – 400 051

Dear Sir,

Re: Board Meeting of our Company held today: Stock code KANSAINER

Unaudited Financial Results and Limited Review report of the statutory auditors for the quarter ended 30th June, 2013

The Directors of the Company have considered and approved the Unaudited Financial Results and the Limited Review report of the statutory auditors for the quarter ended 30th June, 2013 at their Meeting held today, i.e. on 25th July, 2013, (which meeting commenced at 12 noon and concluded at 1.45 p.m)

We enclose a copy of the said Results and Limited Review report for your information, as an attachment.

We have already made the arrangements to publish the same in the newspapers in accordance with Clause 41 of the Listing Agreement.

Thanking you,

Yours Faithfully,

FOR KANSAI NEROLAC PAINTS LIMITED

G.T.GOVINDARAJAN
COMPANY SECRETARY

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Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013 India

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B S R & Co.
(Registered)
Chartered Accountants

Lodha Excelus
1st Floor, Apollo Mills Compound
N. M. Joshi Marg
Mahalakshmi
Mumbai - 400 011
India

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Review report

To the Board of Directors of Kansai Nerolac Paints Limited

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Kansai Nerolac Paints Limited ('the Company') for the quarter ended 30 June 2013, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. Attention is drawn to the fact the figure for the 3 months ended 31 March 2013 as reported in these financial results are the balancing figures between audited figures in the respect of the full previous financial year and publish year to date figures up to the third quarter of the previous year. The figure upto the end of the third quarter of the previous financial year had been only reviewed and not subjected to audit. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co.**
Chartered Accountants
Firm's Registration No: 101248W

Vijay Bhatt
Partner
Membership No: 036647

Mumbai
25 July 2013

KANSAI NEROLAC PAINTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE QUARTER
ENDED 30TH JUNE 2013

PART I

Rs. in Million

		Particulars	For the quarter ended			For the year ended
			30.06.2013 (Unaudited)	31.03.2013 (Audited)	30.06.2012 (Unaudited)	31.03.2013 (Audited)
		Gross sales / Income	9356	8091	8473	33756
1.		Income from operations				
	a.	Net sales / Income from operations (Net of excise and discounts)	7898	6757	7208	28395
	b.	Other operating income	21	85	27	171
		Total Income from operations (net)	7919	6842	7235	28566
2.		Expenses				
	a.	Cost of materials consumed	4864	4953	4574	18986
	b.	Purchase of stock-in-trade	260	236	225	1023
	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	117	(499)	28	(582)
	d.	Employee benefits expense	316	292	293	1181
	e.	Depreciation and amortisation expense (refer note 2)	153	129	156	471
	f.	Other expenses	1348	1103	1146	4597
		Total expenses	7058	6214	6422	25676
3.		Profit from operations before other income, finance costs and exceptional items (1-2)	861	628	813	2890
4.		Other income	37	33	67	163
5.		Profit from ordinary activities before finance costs and exceptional items (3+4)	898	661	880	3053
6.		Finance costs	-	-	-	-
7.		Profit from ordinary activities after finance costs but before exceptional items (5-6)	898	661	880	3053
8.		Exceptional item				
		Excess depreciation reversal in respect of earlier years (refer note 2)	-	1149	-	1149
9.		Profit from ordinary activities before tax (7+8)	898	1810	880	4202
10.		Tax expense				
	a.	Current tax	238	213	203	747
	b.	Deferred tax	51	370	44	533
		Total tax expense	289	583	247	1280
11.		Net Profit from ordinary activities after tax (9-10)	609	1227	633	2922
12.		Extraordinary items (net of tax expense)	-	-	-	-
13.		Net Profit for the period (11-12)	609	1227	633	2922
14.		Paid up Equity Share Capital (Face value of Rs.10 each)	539	539	539	539
15.		Reserves excluding Revaluation Reserves as per balance sheet				12320
16.		Earnings per share [before exceptional items (net of tax)] (of Rs. 10 each) (not annualised)				
	a.	Basic	11.30	8.35	11.74	39.80
	b.	Diluted	11.30	8.35	11.74	39.80
17.		Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised)				
	a.	Basic	11.30	22.77	11.74	54.22
	b.	Diluted	11.30	22.77	11.74	54.22
18.		Earnings per share (after extraordinary items) (of Rs. 10 each) (not annualised)				
	a.	Basic	11.30	22.77	11.74	54.22
	b.	Diluted	11.30	22.77	11.74	54.22

KANSAI NEROLAC PAINTS LIMITED

PART II

			For the quarter ended			For the year ended
			30.06.2013	31.03.2013	30.06.2012	31.03.2013
			(Unaudited)	(Audited)	(Unaudited)	(Audited)
A		PARTICULARS OF SHAREHOLDING				
1.		Public Shareholding				
		- Number of Shares	16562212	16562212	16562212	16562212
		- Percentage of Shareholding	30.73	30.73	30.73	30.73
2.		Promoters and promoter group shareholding				
	a.	Pledged / Encumbered				
		- Number of shares	Nil	Nil	Nil	Nil
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil
		- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil
	b.	Non-encumbered				
		- Number of shares	37329760	37329760	37329760	37329760
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100
		- Percentage of shares (as a % of the total share capital of the company)	69.27	69.27	69.27	69.27

	Particulars	Quarter ended
		30.06.2013
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed of during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 25th July, 2013. These results have been subjected to "limited review" by the statutory auditors of the Company.
2. During the previous quarter ended 31 March 2013, the Company has retrospectively changed its method of providing depreciation on its fixed assets from the 'Written Down Value' to the 'Straight Line' method. Accordingly, excess depreciation charged for earlier years upto 31st March, 2012 aggregating Rs. 1,149 million was written back and recognized as an exceptional item in the results for the quarter ended and the year ended 31st March, 2013. Had the Company reported results for the quarter ended 30 June 2012 based on Straight Line method of depreciation:

Rs in Million

	Particulars	Quarter ended 30.06.2012
1.	Depreciation charge for the quarter would have been lower by	44.27
2.	Deferred tax expense would have been higher by	14.36
3.	Net profit for the quarter would have been higher by	29.91

KANSAI NEROLAC PAINTS LIMITED

PART II

3 The figures for the preceding 3 months ended 31 March 2013 are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. Also, the figures up to the end of third quarter were only reviewed and not subjected to audit.

4. As the Company's business activity falls within a single segment viz. 'Paints' and the sales substantially being in the domestic market, the disclosure requirements of Accounting Standard-17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006, are not applicable.

For KANSAI NEROLAC PAINTS LIMITED

Place: Mumbai
Date: 25th July, 2013

H. M. BHARUKA
MANAGING DIRECTOR

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