B S R & Co.
(Registered)
Chartered Accountants

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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 September 2012 and year to date results for the period 1 April 2012 to 30 September 2012, 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. 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
26 October 2012

KANSAI NEROLAC PAINTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE QUARTER
ENDED 30TH SEPTEMBER 2012

PART I

Rs. in Million

		Particulars	For the quarter ended			For the half year ended		For the year ended
			30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Gross sales / Income	8087	8473	7162	16560	14740	30199
1.		Income from operations						
	a.	Net sales / Income from operations (Net of excise and discounts)	6794	7208	6127	14002	12611	25859
	b.	Other operating income	29	27	34	56	70	147
		Total Income from operations (net)	6823	7235	6161	14058	12681	26006
2.		Expenses						
	a.	Cost of materials consumed	4619	4574	4028	9193	8139	16969
	b.	Purchase of stock-in-trade	243	225	215	468	415	918
	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(248)	28	(261)	(220)	(281)	(482)
	d.	Employee benefits expense	293	293	269	586	522	1069
	e.	Depreciation and amortisation expense	161	156	136	317	256	564
	f.	Other expenses	1127	1146	983	2273	2048	4159
		Total expenses	6195	6422	5370	12617	11099	23197
3.		Profit from operations before other income, finance costs and exceptional items (1-2)	628	813	791	1441	1582	2809
4.		Other income	35	67	15	102	86	243
5.		Profit from ordinary activities before finance costs and exceptional items (3+4)	663	880	806	1543	1668	3052
6.		Finance costs	-	-	-	-	-	1
7.		Profit from ordinary activities after finance costs but before exceptional items (5-6)	663	880	806	1543	1668	3051
8.		Exceptional item	-	-	-	-	-	-
9.		Profit from ordinary activities before tax (7+8)	663	880	806	1543	1668	3051
10.		Tax expense						
	a.	Current tax	159	203	220	362	449	860
	b.	Deferred tax	30	44	15	74	36	32
		Total tax expense	189	247	235	436	485	892
11.		Net Profit from ordinary activities after tax (9-10)	474	633	571	1107	1183	2159
12.		Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.		Net Profit for the period (11-12)	474	633	571	1107	1183	2159
14.		Paid up Equity Share Capital (Face value of Rs.10 each)	539	539	539	539	539	539
15.		Reserves excluding Revaluation Reserves as per balance sheet						10093
16.		Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised)						
	a.	Basic	8.80	11.74	10.60	20.55	21.96	40.06
	b.	Diluted	8.80	11.74	10.60	20.55	21.96	40.06
17.		Earnings per share (after extraordinary items) (of Rs. 10 each) (not annualised)						
	a.	Basic	8.80	11.74	10.60	20.55	21.96	40.06
	b.	Diluted	8.80	11.74	10.60	20.55	21.96	40.06

KANSAI NEROLAC PAINTS LIMITED

PART II

			For the quarter ended			For the half year ended		For the year ended
			30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A		PARTICULARS OF SHAREHOLDING						
1.		Public Shareholding						
		- Number of Shares	16562212	16562212	16562212	16562212	16562212	16562212
		- Percentage of Shareholding	30.73	30.73	30.73	30.73	30.73	30.73
2.		Promoters and promoter group shareholding						
	a.	Pledged / Encumbered						
		- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
		- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b.	Non-encumbered						
		- Number of shares	37329760	37329760	37329760	37329760	37329760	37329760
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	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	69.27	69.27

	Particulars	Quarter ended
		30-09-2012
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	Nil

KANSAI NEROLAC PAINTS LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER 2012

Rs in Million

		Particulars	Unaudited As at 30.09.2012	Audited As at 31.03.2012
A		Equity and Liabilities		
	1.	Shareholders' Funds		
		(a) Share Capital	539	539
		(b) Reserves and Surplus	11200	10093
		Sub-total - Shareholders' funds	11739	10632
	2.	Non-current liabilities		
		(a) Long-term borrowings	605	690
		(b) Long-term provisions	443	432
		Sub-total - Non-current liabilities	1048	1122
	3.	Current liabilities		
		(a) Trade payables	3283	2727
		(b) Other current liabilities	2522	1768
		(c) Short-term provisions	140	732
		Sub-total - Current liabilities	5945	5227
		TOTAL - EQUITY AND LIABILITIES	18732	16981
B		ASSETS		
	1.	Non-current assets		
		(a) Fixed assets	7017	5578
		(b) Non-current investments	422	439
		(c) Deferred tax assets (net)	28	102
		(d) Long-term loans and advances	378	437
		Sub-total - Non-current assets	7845	6556
	2.	Current assets		
		(a) Current investments	150	1396
		(b) Inventories	4736	4537
		(c) Trade receivables	4314	3588
		(d) Cash and cash equivalents	588	592
		(e) Short-term loans and advances	286	128
		(f) Other current assets	813	184
		Sub-total - Current assets	10887	10425
		TOTAL - ASSETS	18732	16981

Notes:

1. 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.
2. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 26th October, 2012. These results have been subjected to "limited review" by the statutory auditors of the Company.

For KANSAI NEROLAC PAINTS LIMITED

Place: Mumbai
Date: 26th October, 2012

H. M. BHARUKA
MANAGING DIRECTOR