B S R & Co.
(Registered)
Chartered Accountants

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

Telephone +91(22) 3989 6000
Fax +91(22) 3983 6000

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 31 December 2012 and year to date results for the period 1 April 2012 to 31 December 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
22 January 2013

KANSAI NEROLAC PAINTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD
ENDED 31ST DECEMBER 2012

PART I

Rs. in Million

		Particulars	For the quarter ended			For the 9 months ended		For the year ended
			31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)
		Gross sales / Income	9105	8087	7733	25665	22473	30199
1.		Income from operations						
	a.	Net sales / Income from operations (Net of excise and discounts)	7636	6794	6623	21638	19234	25859
	b.	Other operating income	30	29	34	86	104	147
		Total Income from operations (net)	7666	6823	6657	21724	19338	26006
2.		Expenses						
	a.	Cost of materials consumed	4840	4619	4115	14033	12254	16969
	b.	Purchase of stock-in-trade	319	243	230	787	645	918
	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	137	(248)	115	(83)	(166)	(482)
	d.	Employee benefits expense	303	293	276	889	798	1069
	e.	Depreciation and amortisation expense	172	161	144	489	400	564
	f.	Other expenses	1221	1127	1117	3494	3165	4159
		Total expenses	6992	6195	5997	19609	17096	23197
3.		Profit from operations before other income, finance costs and exceptional items (1-2)	674	628	660	2115	2242	2809
4.		Other income	28	35	75	130	161	243
5.		Profit from ordinary activities before finance costs and exceptional items (3+4)	702	663	735	2245	2403	3052
6.		Finance costs	-	-	1	-	1	1
7.		Profit from ordinary activities after finance costs but before exceptional items (5-6)	702	663	734	2245	2402	3051
8.		Exceptional item	-	-	-	-	-	-
		- Profit on disposal of subsidiary						
9.		Profit from ordinary activities before tax (7+8)	702	663	734	2245	2402	3051
10.		Tax expense						
	a.	Current tax	172	159	196	534	645	860
	b.	Deferred tax	41	30	11	115	47	32
	c.	Fringe Benefit Tax		-				-
	c.	Short / (Excess) tax provision for earlier year		-				-
		Total tax expense	213	189	207	649	692	892
11.		Net Profit from ordinary activities after tax (9-10)	489	474	527	1596	1710	2159
12.		Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.		Net Profit for the period (11-12)	489	474	527	1596	1710	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	9.07	8.80	9.78	29.62	31.74	40.06
	b.	Diluted	9.07	8.80	9.78	29.62	31.74	40.06
17.		Earnings per share (after extraordinary items) (of Rs. 10 each) (not annualised)						
	a.	Basic	9.07	8.80	9.78	29.62	31.74	40.06
	b.	Diluted	9.07	8.80	9.78	29.62	31.74	40.06

KANSAI NEROLAC PAINTS LIMITED

PART II

			For the quarter ended			For the 9 months ended		For the year ended
			31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	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
		31.12.2012
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

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. During the quarter the Company has acquired 68% stake in Kansai Paints Nepal Pvt Ltd (Erstwhile Nepal Shalimar Pvt Ltd), a company based in Nepal for an amount of Rs 78.63 million.
3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 22nd January, 2013. These results have been subjected to "limited review" by the statutory auditors of the Company.

For KANSAI NEROLAC PAINTS LIMITED

Place: Mumbai
Date: 22nd January, 2013

H. M. BHARUKA
MANAGING DIRECTOR

Visit us at: www.nerolac.com