KANSAI NEROLAC PAINTS LIMITED

October 23, 2015

1. The Secretary
The BSE
Phiroze Jeejeebhoy Towers
Dalal Street,Mumbai – 400 001

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

BSE Scrip Code: 500165
NSE Scrip Code: KANSAINER

Dear Sirs,

Re: Board Meeting of our Company held today.

Unaudited Financial Results and Limited Review Report of the Statutory Auditors for the quarter ended 30th September, 2015.

The Board of Directors of the Company has considered and approved the Unaudited Financial Results and Limited Review Report of the Statutory Auditors for the quarter ended 30th September, 2015 at its Meeting held today i.e. on 23rd October, 2015, (which meeting commenced at 12 noon and concluded at 1.30 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.

For **KANSAI NEROLAC PAINTS LIMITED**

G.T.GOVINDARAJAN
COMPANY SECRETARY

Encl: as above.

NEROLAC HOUSE
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013 India

Tel.: + 91.22.2493 4001
+91.22.2499 2500
Fax: +91.22.2497 3704

CIN No.: L24202MH1920PLC000825

www.nerolac.com

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

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 and six months ended 30 September 2015,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 at the meeting held on 23 October 2015. 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 the applicable accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 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. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
23 October 2015

KANSAI NEROLAC PAINTS LIMITED
Registered Office : Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013
Tel: +91-22-24934001; Fax: +91-22-24973704;
Website: www.nerolac.com Investor Relations e-mail ID : investor@nerolac.com
Corporate Identity Number (CIN) : L24202MH1920PLC000825

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015

PART I

Rs. in Crores

		Particulars	For the quarter ended			For the six months ended		For the year ended
			30.09.2015 (Unaudited)	30.06.2015 (Unaudited)	30.09.2014 (Unaudited)	30.09.2015 (Unaudited)	30.09.2014 (Unaudited)	31.03.2015 (Audited)
		Gross sales / Income	1160.38	1203.80	1097.73	2364.18	2192.81	4211.64
1.		Income from operations						
	a.	Net sales / Income from operations (Net of excise and discounts)	968.80	997.47	915.18	1966.27	1836.25	3532.41
	b.	Other operating income	2.53	2.29	8.03	4.82	10.66	16.65
		Total Income from operations (net)	971.33	999.76	923.21	1971.09	1846.91	3549.06
2.		Expenses						
	a.	Cost of materials consumed	576.76	565.91	595.83	1142.67	1135.85	2145.76
	b.	Purchase of stock-in-trade	44.90	40.75	39.20	85.65	77.90	156.65
	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(22.83)	28.06	(18.51)	5.23	23.76	62.03
	d.	Employee benefits expense	46.27	40.33	34.86	86.60	68.90	143.30
	e.	Depreciation and amortisation expense	17.02	16.75	17.38	33.77	33.84	67.69
	f.	Other expenses	172.35	175.66	151.43	348.01	303.11	596.50
		Total expenses	834.47	867.46	820.19	1701.93	1643.36	3171.93
3.		Profit from operations before other income, finance costs and exceptional items (1-2)	136.86	132.30	103.02	269.16	203.55	377.13
4.		Other income	6.10	6.46	4.35	12.56	12.16	21.79
5.		Profit from ordinary activities before finance costs and exceptional items (3+4)	142.96	138.76	107.37	281.72	215.71	398.92
6.		Finance costs	-	-	0.01	-	0.01	0.02
7.		Profit from ordinary activities after finance costs but before exceptional items (5-6)	142.96	138.76	107.36	281.72	215.70	398.90
8.		Exceptional item	-	-	-	-	-	-
9.		Profit from ordinary activities before tax (7+8)	142.96	138.76	107.36	281.72	215.70	398.90
10.		Tax expense						
	a.	Current tax	43.33	41.33	31.73	84.66	62.86	116.73
	b.	Deferred tax	2.75	3.40	2.97	6.15	7.20	10.50
		Total tax expense	46.08	44.73	34.70	90.81	70.06	127.23
11.		Net Profit from ordinary activities after tax (9-10)	96.88	94.03	72.66	190.91	145.64	271.67
12.		Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.		Net Profit for the period (11-12)	96.88	94.03	72.66	190.91	145.64	271.67
14.		Paid up Equity Share Capital (Face value of Rs.1 each)	53.89	53.89	53.89	53.89	53.89	53.89
15.		Reserves excluding Revaluation Reserves as per balance sheet						1542.93
16.		Earnings per share (of Rs.1 each) (not annualised)						
	a.	Basic	1.80	1.74	1.35	3.54	2.70	5.04
	b.	Diluted	1.80	1.74	1.35	3.54	2.70	5.04

PART II

SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015

		For the quarter ended			For the six months ended		For the year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A	PARTICULARS OF SHAREHOLDING						
1.	Public Shareholding						
	- Number of Shares	165622120	165622120	16562212	165622120	16562212	165622120
	- 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	373297600	373297600	37329760	373297600	37329760	373297600
	- 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
		30.09.2015
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

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2015

Rs. in Crores

		Particulars	As at 30.09.2015 (Unaudited)	As at 31.03.2015 (Audited)
A		Equity and Liabilities		
	1.	Shareholders' Funds		
		(a) Share capital	53.89	53.89
		(b) Reserves and Surplus	1733.84	1542.93
		Sub-total - Shareholders' funds	1787.73	1596.82
	2.	Non-current liabilities		
		(a) Long-term borrowings	29.07	41.50
		(b) Deferred Tax Liabilities (Net)	81.30	75.15
		(c) Long-term provisions	25.60	25.49
		Sub-total - Non-current liabilities	135.97	142.14
	3.	Current liabilities		
		(a) Trade payables	398.97	327.17
		(b) Other current liabilities	309.56	180.63
		(c) Short-term provisions	37.56	96.60
		Sub-total - Current liabilities	746.09	604.40
		TOTAL - EQUITY AND LIABILITIES	2669.79	2343.36
B		ASSETS		
	1.	Non-current assets		
		(a) Fixed assets	937.35	948.94
		(b) Non-current investments	33.10	33.10
		(c) Long-term loans and advances	92.85	66.74
		Sub-total - Non-current assets	1063.30	1048.78
	2.	Current assets		
		(a) Current investments	251.20	182.48
		(b) Inventories	545.95	541.67
		(c) Trade receivables	627.07	496.34
		(d) Cash and cash equivalents	48.78	34.05
		(e) Short-term loans and advances	88.02	19.97
		(f) Other current assets	45.47	20.07
		Sub-total - Current assets	1606.49	1294.58
		TOTAL - ASSETS	2669.79	2343.36

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 23 October 2015. These results have been subjected to "limited review" by the statutory auditors of the Company. The review report has been filed with stock exchange and is available on the company's website.
2. 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.
3. During the previous year, the Company had sub-divided each Equity Share of face value of Rs. 10 each to 10 (ten) Equity Share of Re 1 each. The Effective date for the said sub-division was 27 March 2015.
4. In accordance with the 'FAQ on Provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 and Rules thereon' (the FAQ), issued by the Institute of Chartered Accountants of India, Rs. 4.51 Crores spent towards Corporate Social Responsibility Activity under Section 135 of the Companies Act, 2013 (CSR Activity) during the year ended on 31 March 2015 was recorded and disclosed as an appropriation of profit in the Statement of Assets and Liabilities. Consequent to the issuance of 'Guidance Note on accounting for expenditure on Corporate Social Responsibility Activities' (the Guidance Note), issued on 15 May 2015, Rs. 0.77 Crores spent during the six months ended 30 September 2015 (Rs. Nil during the six months ended 30 September 2014) towards CSR Activity has been charged to the Statement of Profit and Loss.

For KANSAI NEROLAC PAINTS LIMITED

Place: Mumbai
Date: 23 October 2015

H. M. BHARUKA
MANAGING DIRECTOR