B S R & Co. LLP
Chartered Accountants

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

Telephone +91 22 3989 6000
Fax +91 22 3090 2511

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 2014, 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 recognized 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
22 July 2014

KANSAI NEROLAC PAINTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30TH JUNE 2014

PART I

Rs. in Crores

		Particulars	For the quarter ended			For the year ended
			30.06.2014 (Unaudited)	31.03.2014 (Audited)	30.06.2013 (Unaudited)	31.03.2014 (Audited)
		Gross sales / Income	1095.08	886.57	935.60	3739.02
1.		Income from operations				
	a.	Net sales / Income from operations (Net of excise and discounts)	921.07	743.75	789.81	3136.10
	b.	Other operating income	2.63	2.96	2.07	18.25
		Total Income from operations (net)	923.70	746.71	791.88	3154.35
2.		Expenses				
	a.	Cost of materials consumed	540.02	542.12	486.38	2085.11
	b.	Purchase of stock-in-trade	38.70	36.65	25.98	129.52
	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	42.27	(65.19)	11.73	(80.70)
	d.	Employee benefits expense	34.04	33.39	31.59	135.88
	e.	Depreciation and amortisation expense	16.46	16.99	15.26	64.98
	f.	Other expenses	151.68	117.95	134.81	522.45
		Total expenses	823.17	681.91	705.75	2857.24
3.		Profit from operations before other income, finance costs and exceptional items (1-2)	100.53	64.80	86.13	297.11
4.		Other income	7.81	2.45	3.69	10.33
5.		Profit from ordinary activities before finance costs and exceptional items (3+4)	108.34	67.25	89.82	307.44
6.		Finance costs	-	0.02	0.04	0.45
7.		Profit from ordinary activities after finance costs but before exceptional items (5-6)	108.34	67.23	89.78	306.99
8.		Exceptional item	-	-	-	-
9.		Profit from ordinary activities before tax (7+8)	108.34	67.23	89.78	306.99
10.		Tax expense				
	a.	Current tax	31.13	18.20	23.79	77.64
	b.	Deferred tax	4.23	4.18	5.06	22.78
		Total tax expense	35.36	22.38	28.85	100.42
11.		Net Profit from ordinary activities after tax (9-10)	72.98	44.85	60.93	206.57
12.		Extraordinary items (net of tax expense)	-	-	-	-
13.		Net Profit for the period (11-12)	72.98	44.85	60.93	206.57
14.		Paid up Equity Share Capital (Face value of Rs.10 each)	53.89	53.89	53.89	53.89
15.		Reserves excluding Revaluation Reserves as per balance sheet				1369.30
16.		Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised)				
	a.	Basic	13.54	8.33	11.30	38.33
	b.	Diluted	13.54	8.33	11.30	38.33
17.		Earnings per share (after extraordinary items) (of Rs. 10 each) (not annualised)				
	a.	Basic	13.54	8.33	11.30	38.33
	b.	Diluted	13.54	8.33	11.30	38.33

KANSAI NEROLAC PAINTS LIMITED

PART II

			For the quarter ended			For the year ended
			30.06.2014	31.03.2014	30.06.2013	31.03.2014
			(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
		30.06.2014
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 22 July 2014. These results have been subjected to "limited review" by the statutory auditors of the Company.
2. During the quarter ended 30 June, 2014, according to Schedule II of the Companies Act, 2013 the management based on the internal evaluation reassessed the remaining useful life of assets, with effect from 1 April, 2014. Accordingly, the useful life of certain assets required a change from the previous estimates. If the Company had continued with the previously assessed useful lives, charge for depreciation for the quarter ended 30 June, 2014 would have been higher by Rs 0.43 crores.
3. The figures for the preceding 3 months ended 31 March 2014 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

H. M. BHARUKA
MANAGING DIRECTOR

Place: Mumbai
Date: 22 July, 2014