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 31 December 2013 and year to date results for the period 1 April 2013 to 31 December 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. 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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
31 January 2014

KANSAI NEROLAC PAINTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE QUARTER
ENDED 31ST DECEMBER 2013

PART I

Rs. in Million

		Particulars	For the quarter ended			For the 9 months ended		For the year ended
			31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		Gross sales / Income	9769	9400	9105	28525	25665	33756
1.		Income from operations						
	a.	Net sales / Income from operations (Net of excise and discounts)	8216	7810	7636	23924	21638	28395
	b.	Other operating income	25	107	30	153	86	171
		Total Income from operations (net)	8241	7917	7666	24077	21724	28566
2.		Expenses						
	a.	Cost of materials consumed	5571	4995	4840	15430	14033	18986
	b.	Purchase of stock-in-trade	307	362	319	929	787	1023
	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(166)	(106)	137	(155)	(83)	(582)
	d.	Employee benefits expense	333	376	303	1025	889	1181
	e.	Depreciation and amortisation expense	166	161	172	480	489	471
	f.	Other expenses	1324	1373	1221	4045	3494	4597
		Total expenses	7535	7161	6992	21754	19609	25676
3.		Profit from operations before other income, finance costs and exceptional items (1-2)	706	756	674	2323	2115	2890
4.		Other income	28	14	28	79	130	163
5.		Profit from ordinary activities before finance costs and exceptional items (3+4)	734	770	702	2402	2245	3053
6.		Finance costs	1	3	-	4	-	-
7.		Profit from ordinary activities after finance costs but before exceptional items (5-6)	733	767	702	2398	2245	3053
8.		Exceptional item						
		Excess depreciation reversal in respect of earlier years (refer note 2)	-	-	-	-	-	1149
9.		Profit from ordinary activities before tax (7+8)	733	767	702	2398	2245	4202
10.		Tax expense						
	a.	Current tax	201	156	172	595	534	747
	b.	Deferred tax	41	94	41	186	115	533
		Total tax expense	242	250	213	781	649	1280
11.		Net Profit from ordinary activities after tax (9-10)	491	517	489	1617	1596	2922
12.		Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.		Net Profit for the period (11-12)	491	517	489	1617	1596	2922
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						12320
16.		Earnings per share [before exceptional items (net of tax)] (of Rs. 10 each) (not annualised)						
	a.	Basic	9.11	9.59	9.07	30.01	29.62	39.80
	b.	Diluted	9.11	9.59	9.07	30.01	29.62	39.80
17.		Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised)						
	a.	Basic	9.11	9.59	9.07	30.01	29.62	54.22
	b.	Diluted	9.11	9.59	9.07	30.01	29.62	54.22
18.		Earnings per share (after extraordinary items) (of Rs. 10 each) (not annualised)						
	a.	Basic	9.11	9.59	9.07	30.01	29.62	54.22
	b.	Diluted	9.11	9.59	9.07	30.01	29.62	54.22

KANSAI NEROLAC PAINTS LIMITED

PART II

		For the quarter ended			For the 9 months ended		For the year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
		(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	Nine months ended
		31.12.2013
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. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 31st January 2014. These results have been subjected to "limited review" by the statutory auditors of the Company.
2. During the quarter ended 31 March 2013, the Company had 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 year ended 31st March, 2013. Had the Company reported results for the quarter and nine months ended 31st December 2012 based on Straight Line method of depreciation:

Rs in Million

	Particulars	Quarter ended 31.12.2012	Nine Months ended 31.12.2012
1.	Depreciation charge would have been lower by	52.00	147.00
2.	Deferred tax expense would have been higher by	16.87	47.69
3.	Net profit for the quarter would have been higher by	35.13	99.31

3. During the previous quarter, the Company had closed its manufacturing activities at its factory in Perungudi, Tamil Nadu and settled the liabilities including voluntary retirement payments.
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: 31st January, 2014