

B S R & Co. LLP

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 2014 and year to date results for the period 1 April 2014 to 30 September 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 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
22 October 2014

PART I							Rs. in Crores
Statement of Standalone Unaudited Results for the Quarter and Six Months Ended 30 September, 2014							
	Particulars	For the quarter ended			For the six months ended		For the year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Gross sales / Income	1097.73	1095.08	940.04	2192.81	1875.64	3739.02
1.	Income from operations						
a.	Net sales / Income from operations (Net of excise and discounts)	915.18	921.07	780.96	1836.25	1570.77	3136.10
b.	Other operating income	8.03	2.63	10.76	10.66	12.83	18.25
	Total Income from operations (net)	923.21	923.70	791.72	1846.91	1583.60	3154.35
2.	Expenses						
a.	Cost of materials consumed	595.83	540.02	499.54	1135.85	985.92	2085.11
b.	Purchase of stock-in-trade	39.20	38.70	36.20	77.90	62.19	129.52
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(18.51)	42.27	(10.62)	23.76	1.10	(80.70)
d.	Employee benefits expense	34.86	34.04	37.64	68.90	69.23	135.88
e.	Depreciation and amortisation expense	17.38	16.46	16.10	33.84	31.36	64.98
f.	Other expenses	151.43	151.68	137.29	303.11	272.10	522.45
	Total expenses	820.19	823.17	716.15	1643.36	1421.90	2857.24
3.	Profit from operations before other income, finance costs and exceptional items (1-2)	103.02	100.53	75.57	203.55	161.70	297.11
4.	Other income	4.35	7.81	1.38	12.16	5.07	10.33
5.	Profit from ordinary activities before finance costs and exceptional items (3+4)	107.37	108.34	76.95	215.71	166.77	307.44
6.	Finance costs	0.01	-	0.22	0.01	0.26	0.45
7.	Profit from ordinary activities after finance costs but before exceptional items (5-6)	107.36	108.34	76.73	215.70	166.51	306.99
8.	Exceptional item	-	-	-	-	-	-
9.	Profit from ordinary activities before tax (7+8)	107.36	108.34	76.73	215.70	166.51	306.99
10.	Tax expense						
a.	Current tax	31.73	31.13	15.60	62.86	39.39	77.64
b.	Deferred tax	2.97	4.23	9.46	7.20	14.52	22.78
	Total tax expense	34.70	35.36	25.06	70.06	53.91	100.42
11.	Net Profit from ordinary activities after tax (9-10)	72.66	72.98	51.67	145.64	112.60	206.57
12.	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13.	Net Profit for the period (11-12)	72.66	72.98	51.67	145.64	112.60	206.57
14.	Paid up Equity Share Capital (Face value of Rs.10 each)	53.89	53.89	53.89	53.89	53.89	53.89
15.	Reserves excluding Revaluation Reserves as per balance sheet						1369.31
16.	Earnings per share in Rs (before extraordinary items) (of Rs. 10 each) (not annualised)						
a.	Basic	13.48	13.54	9.59	27.02	20.89	38.33
b.	Diluted	13.48	13.54	9.59	27.02	20.89	38.33
17.	Earnings per share in Rs (after extraordinary items) (of Rs. 10 each) (not annualised)						
a.	Basic	13.48	13.54	9.59	27.02	20.89	38.33
b.	Diluted	13.48	13.54	9.59	27.02	20.89	38.33

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KANSAI NEROLAC PAINTS LIMITED

PART II							
Select Information for the Quarter and Six Months Ended 30 September, 2014							
		For the quarter ended			For the six months ended		For the year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(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
		30.09.2014
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

Rs. in Crores

Standalone Statement of Assets and Liabilities As at 30 September, 2014			
	Particulars	Unaudited	Audited
		As at	As at
		30.09.2014	31.03.2014
A	Equity and Liabilities		
1.	Shareholders' Funds		
	(a) Share capital	53.89	53.89
	(b) Reserves and Surplus	1512.64	1369.31
	Sub-total - Shareholders' funds	1566.53	1423.20
2.	Non-current liabilities		
	(a) Long-term borrowings	41.50	51.71
	(b) Deferred Tax Liabilities (Net)	71.86	65.84
	(c) Long-term provisions	25.49	28.79
	Sub-total - Non-current liabilities	138.85	146.34
3.	Current liabilities		
	(a) Trade payables	491.51	440.74
	(b) Other current liabilities	253.84	166.34
	(c) Short-term provisions	26.66	78.51
	Sub-total - Current liabilities	772.01	685.59
	TOTAL - EQUITY AND LIABILITIES	2477.39	2255.13
B	ASSETS		
1.	Non-current assets		
	(a) Fixed assets	959.91	957.73
	(b) Non-current investments	33.10	33.10
	(c) Long-term loans and advances	39.64	40.15
	Sub-total - Non-current assets	1032.65	1030.98
2.	Current assets		
	(a) Current investments	69.51	23.38
	(b) Inventories	628.30	645.66
	(c) Trade receivables	588.13	454.83
	(d) Cash and cash equivalents	76.93	54.87
	(e) Short-term loans and advances	37.39	25.52
	(f) Other current assets	44.48	19.89
	Sub-total - Current assets	1444.74	1224.15
	TOTAL - ASSETS	2477.39	2255.13

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 22 October 2014. These results have been subjected to "limited review" by the statutory auditors of the Company.
- 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 DIRECTORPlace: Mumbai
Date: 22 October, 2014