

October 16, 2017

1. Corporate Relationship Department  
**BSE Limited,**  
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, 2017.**

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, 2017 at its Meeting held today i.e. on 16<sup>th</sup> October, 2017, (which meeting commenced at 11.30 a.m. 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 Financial results in the newspapers in accordance with Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please also find enclosed Press Release on the Financial results that will be issued by the Company.

For **KANSAI NEROLAC PAINTS LIMITED**

  
**G.T. GOVINDARAJAN**  
**COMPANY SECRETARY**

Encl: as above.

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Lower Parel, Mumbai - 400013 India

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**Limited Review Report on Quarterly Financial Results and six months Financial Results of Kansai Nerolac Paints Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**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 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 16 October 2017. Our responsibility is to issue a report on the Statement 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 the 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 results 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 i.e. Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016 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

**Aniruddha Godbole**  
*Partner*

Membership No: 105149

Mumbai  
16 October 2017

KANSAI NEROLAC PAINTS LIMITED

Registered Office: Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013  
 Tel: +91-22-24934001; Fax: +91-22-24973704; e-mail: investor@nerolac.com  
 Website: www.nerolac.com CIN: L24202MH1920PLC000825

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2017

Part I		Particulars	For the quarter ended			For the six months ended		Rs. in Crores
			30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	For the year ended
			(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2017
		Gross Sales / Income	1287.89	1442.75	1232.84	2730.64	2533.82	4936.05
1.		Income						
	a.	Net Sales / Income from Operations (Net of Discounts and Rebates)	1161.82	1320.67	1131.54	2482.49	2319.75	4520.15
	b.	Other Operating Income	2.56	3.39	2.21	5.95	4.62	10.90
	c.	Other Income	14.16	19.87	29.39	34.03	50.48	98.22
		Total Income	1178.54	1343.93	1163.14	2522.47	2374.85	4629.27
2.		Expenses						
	a.	Cost of Materials Consumed	653.92	646.95	548.53	1300.87	1102.84	2190.78
	b.	Purchase of Stock-in-Trade	46.49	54.14	44.56	100.63	92.35	186.43
	c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(3.95)	5.79	(19.22)	1.84	5.41	(34.26)
	d.	Excise duty on Sale of goods	-	150.44	131.66	150.44	275.23	531.98
	e.	Employee Benefits Expense	58.46	53.15	49.47	111.61	95.36	198.12
	f.	Depreciation and Amortisation Expense	18.70	18.05	17.17	36.75	34.41	69.49
	g.	Other Expenses	188.14	206.31	180.49	394.45	368.15	727.31
		Total Expenses	961.76	1134.83	952.66	2096.59	1973.75	3869.85
3.		Profit before Tax (1-2)	216.78	209.10	210.48	425.88	401.10	759.42
4.		Tax Expense						
	a.	Current Tax	67.07	63.71	70.66	130.78	133.28	245.16
	b.	Deferred Tax	5.08	4.58	0.51	9.66	2.01	8.32
		Total Tax Expense	72.15	68.29	71.17	140.44	135.29	253.48
5.		Profit for the Period (3-4)	144.63	140.81	139.31	285.44	265.81	505.94
6.		Other Comprehensive Income						
	a.	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.38)	(1.22)	(0.67)	(1.60)	(0.67)	(7.23)
		(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss	0.12	0.43	0.23	0.55	0.23	2.50
	b.	(i) Items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-	-
		(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-	-
		Other Comprehensive Income (net of tax)	(0.26)	(0.79)	(0.44)	(1.05)	(0.44)	(4.73)
7.		Total Comprehensive Income (5+6)	144.37	140.02	138.87	284.39	265.37	501.21
8.		Paid up Equity Share Capital (Face value of Re.1 each)	53.89	53.89	53.89	53.89	53.89	53.89
9.		Other Equity						2751.43
10.		Earnings Per Share (of Re.1 each) (not annualised)						
	a.	Basic	2.68	2.61	2.59	5.30	4.93	9.39
	b.	Diluted	2.68	2.61	2.59	5.30	4.93	9.39



KANSAI NEROLAC PAINTS LIMITED  
STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2017

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Rs. in Crores

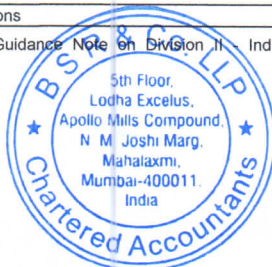
	Particulars	As at			
		30.09.2017		31.03.2017	
		(Unaudited)		(Audited)	
<b>A</b>	<b>ASSETS</b>				
1.	<b>Non-current Assets</b>				
	Property, Plant and Equipment	979.47		945.53	
	Capital Work-in-progress	269.70		142.12	
	Investment Property	0.18		0.18	
	Other Intangible Assets	0.73		0.89	
	<b>Financial Assets:</b>		1250.08		1088.72
	Investments	25.80		22.03	
	Loans	10.34		10.31	
	<b>Other Non-current Assets</b>		36.14		32.34
			117.77		121.64
	<b>Total Non-current Assets</b>		1403.99		1242.70
2.	<b>Current Assets</b>				
	Inventories		634.98		691.31
	<b>Financial Assets:</b>				
	Investments	461.00		530.75	
	Trade Receivables	797.61		571.71	
	Cash and Cash Equivalents	55.37		43.87	
	Bank Balances other than Cash and Cash Equivalents	124.85		205.82	
	Loans	3.73		10.75	
	Other Financial Assets	240.04		234.66	
	<b>Other Current assets</b>		1682.60		1597.56
			70.77		65.79
	<b>Total Current Assets</b>		2388.35		2354.66
	<b>Total Assets</b>		3792.34		3597.36
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
1.	<b>Equity</b>				
	Equity Share Capital	53.89		53.89	
	Other Equity	2840.31		2751.43	
	<b>Total Equity</b>		2894.20		2805.32
	<b>Liabilities</b>				
2.	<b>Non-current Liabilities</b>				
	<b>Financial Liabilities:</b>				
	Borrowings	9.71		18.33	
	Deferred Tax Liabilities (Net)	88.32		79.21	
	<b>Total Non-current Liabilities</b>		98.03		97.54
3.	<b>Current Liabilities</b>				
	<b>Financial Liabilities:</b>				
	Trade Payables	637.92		550.20	
	Other Financial Liabilities	89.62		80.24	
	<b>Other Current Liabilities</b>	727.54		630.44	
	Provisions	14.20		37.13	
	Current Tax Liabilities (Net)	26.90		23.26	
		31.47		3.67	
	<b>Total Current Liabilities</b>		800.11		694.50
	<b>Total Liabilities</b>		898.14		792.04
	<b>Total Equity and Liabilities</b>		3792.34		3597.36

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 16 October 2017. 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.
- As the Company's business activity falls within a single segment viz. 'Paints' and the sales substantially being in the domestic market, hence the same is reflective of the disclosure requirements of Ind AS 108 - Operating Segments.
- According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the corresponding previous quarters ended 30th June, 2017 and 30th September, 2016, for the six months ended 30th September, 2017 were and are reported inclusive of Excise Duty. The Government of India has implemented Goods and Service Tax ('GST') from 1st July, 2017 replacing Excise duty, Service Tax and various other indirect taxes. AS per Ind AS 118, the revenue for the quarter ended 30th September, 2017 is reported net of GST. Had the previously reported revenues were shown net of excise duty, comparative revenue of the Company would have been as follows:

	Quarter ended			Growth %	Quarter ended 30th June, 2017	Six Months ended		Growth %
	30 <sup>th</sup> September, 2017	30 <sup>th</sup> September, 2016	30 <sup>th</sup> September, 2017			30 <sup>th</sup> September, 2016		
Net Sales / Income from Operations	1161.82	999.88	16.2	1170.23	2332.05	2044.52	14.1	

- Consequent to the issuance of "Guidance Note on Division II Ind AS Schedule III to the Companies Act, 2013", certain items of Financial Statements have been regrouped/reclassified.



For KANSAI NEROLAC PAINTS LIMITED  
  
H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTOR

## KANSAI NEROLAC PAINTS LIMITED

Registered Office: Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013

Tel: +91-22-24934001; Fax: +91-22-24973704; e-mail: investor@nerolac.com

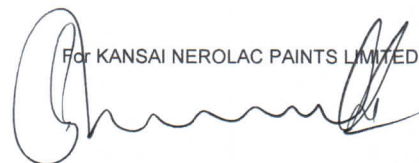
Website: www.nerolac.com CIN: L24202MH1920PLC000825

## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2017

Particulars	For the quarter ended			For the six months ended		Rs. in Crores
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	For the year ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2017 (Audited)
Total Income	1178.54	1343.93	1163.14	2522.47	2374.85	4629.27
Net Profit for the Period (before Tax and Exceptional items)	216.78	209.10	210.48	425.88	401.10	759.42
Net Profit for the Period before tax (after Exceptional items)	216.78	209.10	210.48	425.88	401.10	759.42
Net Profit for the Period after tax (after Exceptional items)	144.63	140.81	139.31	285.44	265.81	505.94
Total Comprehensive Income for the Period	144.37	140.02	138.87	284.39	265.37	501.21
Equity Share Capital	53.89	53.89	53.89	53.89	53.89	53.89
Other Equity						2751.43
Earnings Per Share (of Re. 1/- each)						
Basic	2.68	2.61	2.59	5.30	4.93	9.39
Diluted	2.68	2.61	2.59	5.30	4.93	9.39

Note: The above is an extract of the detailed format of Statement of Standalone Unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of Statement of Standalone Unaudited Financial Results are available on the websites of Stock Exchanges at <http://www.bseindia.com> and <http://www.nseindia.com> and also on the Company's website at <http://www.nerolac.com>. The auditors have expressed an unqualified report on the limited review on the financial results for the quarter and six months ended 30 September 2017.

For KANSAI NEROLAC PAINTS LIMITED



H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
Date: 16 October, 2017

## Press Release

Press Release

Mumbai, October 16, 2017

### **Kansai Nerolac Paints Ltd Announces Q2 Results FY 2017-2018** **Sales up by 16.2 %**

**Mumbai, October 16, 2017:** Kansai Nerolac Paints Limited (**KNPL**), one of the leading Paint companies in India, today at the Board meeting announced its unaudited results for the second quarter of financial year 2017-18. For the quarter, the company declared sales of Rs. 1288 Crores and sales of Rs. 2731 crores for half year.

Government of India has implemented Goods and Service Tax ('GST') from 1st July, 2017. GST replaced Excise duty, Service Tax and various other indirect taxes. As required by Ind AS and SEBI Listing Agreement, revenue for the quarter ended 30th June, 2017 and 30th September, 2016 and year ended 31st March, 2017 were and are reported inclusive of Excise Duty. However, revenue for the quarter ended 30th September, 2017 is reported net of GST. Had the previously reported revenues been regrouped (netted off with excise duty), revenue growth of the Company would have been 16.2 % for the quarter and 14.1 % for half year.

EBIDTA was Rs. 221.3 crores a growth of 11.6 % over the same quarter of the previous year. For the first six months, EBIDTA was Rs. 428.6 Crores a growth of 11.3 % over the same period of the previous year.

Commenting on the results, **Mr. H. M. Bharuka, Managing Director, Kansai Nerolac Paints Ltd** said, "Company has continued to register a double digit volume growth led by Decorative. All segments have done well. This quarter the effect of de-stocking by trade due to GST and preponement of sales due to an early Diwali were visible. The continued effect of higher raw material prices is continuing. The company is hopeful that with the implementation of GST and its broader acceptance coupled with a good monsoon, demand should be healthy across segments. Raw material prices and availability will continue to remain a concern due to larger geo political issues."

#### **Outlook of Indian Paint Industry:**

The size of domestic paint industry is estimated at Rs 43000 crores as of Mar 2017. The good growth in infrastructure, core sector as well as automobile and real estate is likely to have a positive effect on the overall demand of paint for the industry.

#### **About Kansai Nerolac Paints Ltd:**

Kansai Nerolac Paints has been at the forefront of paint manufacturing for more than 90 years pioneering a wide spectrum of quality paints. Kansai Nerolac is the second largest paint company in India and is the leader in Industrial segment, having a turnover of Rs 4936 crores. The company has four strategically located manufacturing units all over India and a strong dealer network across the

**Press Release**

country. The company manufactures a diversified range of products ranging from decorative paints coatings for homes, offices, hospitals and hotels to sophisticated industrial coatings for most of the industries. Please visit [www.nerolac.com](http://www.nerolac.com)

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