

July 29, 2019

- |                                                                                                                                 |                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Corporate Relationship Department<br><b>BSE Limited,</b><br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 001. | 2. Manager – Listing<br><b>National Stock Exchange of India Ltd.</b><br>Exchange Plaza,<br>Bandra – Kurla Complex,<br>Bandra (E), Mumbai – 400 051. |
|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|

**Sub.: Outcome of the Board Meeting of Kansai Nerolac Paints Limited (“Company”) held on July 29, 2019**

- Ref.: 1. Regulation 30 (read with Schedule III - Part A), 33 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")**  
**2. Scrip Codes : BSE - 500165, NSE - KANSAINER**

Dear Sir/ Madam,

Kindly note that the Board of Directors of the Company has, in its meeting held today i.e. on Monday, July 29, 2019 (“Board Meeting”), *inter alia* considered and approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2019 for the Financial Year 2019-20 (“Unaudited Financial Results”).

The Board Meeting commenced at 9.00 a.m. and was adjourned at 9.30 a.m. Thereafter, the Audit Committee Meeting commenced, *inter alia* for consideration and recommendation of the Unaudited Financial Results and concluded at 10.45 a.m. After the conclusion of the Audit Committee Meeting, the Board Meeting resumed, *inter alia* for consideration of the Unaudited Financial Results and concluded at 1.30 p.m.

Further, pursuant to the applicable provisions of SEBI Listing Regulations, please find enclosed herewith:

- (i) the Unaudited Financial Results; and
- (ii) Limited Review Report dated July 29, 2019, issued by the Statutory Auditors of the Company with respect to the Unaudited Standalone and Consolidated Financial Results and taken on record by the Board of Directors of the Company.

A press release issued with respect to the Unaudited Financial Results is also enclosed herewith.

Necessary arrangements have been made for publishing the Unaudited Financial results in the newspapers, in the prescribed formats, in terms of Regulation 47 of SEBI Listing Regulations.

The above is for your information and record.

For **KANSAI NEROLAC PAINTS LIMITED**

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



Encl: As above.

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

Tel.: + 91.22.2493 4001  
+91.22.2499 2500

CIN No.: L24202MH1920PLC000825

## 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 UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

| Sr. No. | Particulars                                                                                     | For the quarter ended |                           |             | ₹ in Crores             |
|---------|-------------------------------------------------------------------------------------------------|-----------------------|---------------------------|-------------|-------------------------|
|         |                                                                                                 | 30.06.2019            | 31.03.2019                | 30.06.2018  | For the year ended      |
|         |                                                                                                 | (Unaudited)           | (Audited)<br>Refer Note 2 | (Unaudited) | 31.03.2019<br>(Audited) |
|         | Gross Sales / Income                                                                            | 1612.76               | 1267.96                   | 1513.26     | 5682.28                 |
| 1.      | Income                                                                                          |                       |                           |             |                         |
| a.      | Revenue from Contracts with Customers<br>(Net of Discounts and Rebates)                         | 1456.82               | 1141.98                   | 1366.99     | 5138.86                 |
| b.      | Other Operating Revenues                                                                        | 6.65                  | 11.18                     | 8.93        | 34.76                   |
|         | Total Revenue from Operations                                                                   | 1463.47               | 1153.16                   | 1375.92     | 5173.62                 |
|         | Other Income                                                                                    | 6.51                  | 14.45                     | 13.60       | 61.88                   |
|         | Total Income                                                                                    | 1469.98               | 1167.61                   | 1389.52     | 5235.50                 |
| 2.      | Expenses                                                                                        |                       |                           |             |                         |
| a.      | Cost of Materials Consumed                                                                      | 709.21                | 772.56                    | 808.02      | 3241.77                 |
| b.      | Purchase of Stock-in-Trade                                                                      | 68.49                 | 70.33                     | 62.01       | 258.74                  |
| c.      | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade                   | 125.93                | (108.03)                  | (20.95)     | (197.98)                |
| d.      | Employee Benefits Expense                                                                       | 67.55                 | 60.92                     | 63.63       | 255.38                  |
| e.      | Finance Costs                                                                                   | 1.26                  | -                         | -           | -                       |
| f.      | Depreciation and Amortisation Expense                                                           | 27.78                 | 23.48                     | 20.40       | 90.47                   |
| g.      | Other Expenses                                                                                  | 243.27                | 207.75                    | 242.76      | 873.71                  |
|         | Total Expenses                                                                                  | 1243.49               | 1027.01                   | 1175.87     | 4522.09                 |
| 3.      | Profit before Tax (1-2)                                                                         | 226.49                | 140.60                    | 213.65      | 713.41                  |
| 4.      | Tax Expense                                                                                     |                       |                           |             |                         |
| a.      | Current Tax                                                                                     | 71.28                 | 46.74                     | 65.81       | 221.87                  |
| b.      | Deferred Tax                                                                                    | 7.31                  | 1.04                      | 8.00        | 24.19                   |
|         | Total Tax Expense                                                                               | 78.59                 | 47.78                     | 73.81       | 246.06                  |
| 5.      | Profit for the Period (3-4)                                                                     | 147.90                | 92.82                     | 139.84      | 467.35                  |
| 6.      | Other Comprehensive Income                                                                      |                       |                           |             |                         |
|         | (i) Items that will not be reclassified to Statement of Profit and Loss                         | (0.58)                | 3.14                      | (0.58)      | 1.41                    |
|         | (ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss | 0.20                  | (1.10)                    | 0.20        | (0.49)                  |
| 7.      | Other Comprehensive Income (net of tax)                                                         | (0.38)                | 2.04                      | (0.38)      | 0.92                    |
| 8.      | Total Comprehensive Income (5+7)                                                                | 147.52                | 94.86                     | 139.46      | 468.27                  |
| 9.      | Paid up Equity Share Capital<br>(Face value of ₹ 1 each)                                        | 53.89                 | 53.89                     | 53.89       | 53.89                   |
| 10.     | Other Equity                                                                                    |                       |                           |             | 3370.58                 |
| 11.     | Earnings Per Equity Share<br>(of ₹ 1 each) (not annualised)                                     |                       |                           |             |                         |
| a.      | Basic                                                                                           | 2.74                  | 1.72                      | 2.59        | 8.67                    |
| b.      | Diluted                                                                                         | 2.74                  | 1.72                      | 2.59        | 8.67                    |



## Notes:

1. The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 July 2019. These standalone results have been subjected to "limited review" by the statutory auditors of the Company. Limited review report does not contain any qualification. The review report has been filed with stock exchange and is available on the Company's website.
2. Figures for the standalone results for quarter ended 31 March 2019 as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the previous financial year. Also the figures up to the end of the third quarter of the previous financial year had only been reviewed and not subjected to audit.
3. Financial results for all the periods presented have been prepared in accordance with recognition and measurement principles of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
4. During the current quarter, the Company has acquired 100% stake in Perma Construction Aids Private Limited.
5. 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.
6. Effective 1 April, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. This has resulted in recognising a right-of-use asset of ₹ 56.87 Crores and a corresponding lease liability of ₹ 61.59 Crores. The difference of ₹ 3.07 Crores (net of deferred tax asset created of ₹1.65 Crores) has been adjusted to retained earnings as at 1st April, 2019. Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation and amortisation expense" and "finance cost" for the right-to-use assets and for interest accrued on lease liability respectively, and therefore these expenses for the current period are not comparable to the previous periods disclosed. The adoption of this standard did not have any material impact on the profit and earnings per share for the quarter ended 30 June 2019. However, the impact on respective line items is set out below:

| ₹ in Crores                                       |                          |
|---------------------------------------------------|--------------------------|
| Particulars                                       | Quarter ended 30.06.2019 |
| Increase in Finance cost                          | 1.26                     |
| Increase in Depreciation and Amortisation Expense | 3.08                     |
| Decrease in Other Expenses                        | 4.19                     |
| Decrease in Profit before tax                     | 0.15                     |
| Decrease in Tax expenses                          | 0.05                     |
| Decrease in Profit after tax                      | 0.10                     |

7. Previous period figures have been regrouped / rearranged, wherever necessary, to correspond to current period's presentation.



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
Date: 29 July 2019



**Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors  
Kansai Nerolac Paints Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Kansai Nerolac Paints Limited (the 'Company') for the quarter ended June 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 Statement is 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.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, 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 the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**S R B C & CO LLP**

Chartered Accountants

Kansai Nerolac Paints Limited  
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5. The comparative Ind AS financial information of the Company for the corresponding quarter ended June 30, 2018 included in these standalone Ind AS financial results were reviewed by the predecessor auditor and the Ind AS financial information of the Company for the previous quarter ended March 31, 2019 and the Ind AS financial statements of the Company for the year ended March 31, 2019 included in these standalone Ind AS financial results were audited by predecessor auditor who expressed an unmodified conclusion / opinion on those financial information and financial statements on July 20, 2018 and May 02, 2019 respectively.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per Anil Jobanputra  
Partner  
Membership Number: 110759  
UDIN: 19110759AAAABW5703



Place: Mumbai  
Date: July 29, 2019

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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

| Sr. No. | Particulars                                                                                     | For the quarter ended |                             |                             | ₹ in Crores             |
|---------|-------------------------------------------------------------------------------------------------|-----------------------|-----------------------------|-----------------------------|-------------------------|
|         |                                                                                                 | 30.06.2019            | 31.03.2019                  | 30.06.2018                  | For the year ended      |
|         |                                                                                                 | (Unaudited)           | (Unaudited)<br>Refer Note 2 | (Unaudited)<br>Refer Note 2 | 31.03.2019<br>(Audited) |
|         | Gross Sales / Income                                                                            | 1707.20               | 1356.89                     | 1553.09                     | 5984.72                 |
| 1.      | Income                                                                                          |                       |                             |                             |                         |
| a.      | Revenue from Contracts with Customers<br>(Net of Discounts and Rebates)                         | 1533.30               | 1208.03                     | 1401.34                     | 5388.47                 |
| b.      | Other Operating Revenues                                                                        | 9.11                  | 13.20                       | 8.78                        | 35.85                   |
|         | Total Revenue from Operations                                                                   | 1542.41               | 1221.23                     | 1410.12                     | 5424.32                 |
|         | Other Income                                                                                    | 6.77                  | 12.63                       | 13.61                       | 60.52                   |
|         | Total Income                                                                                    | 1549.18               | 1233.86                     | 1423.73                     | 5484.84                 |
| 2.      | Expenses                                                                                        |                       |                             |                             |                         |
| a.      | Cost of Materials Consumed                                                                      | 754.82                | 814.56                      | 828.64                      | 3404.80                 |
| b.      | Purchase of Stock-in-Trade                                                                      | 70.03                 | 70.33                       | 62.01                       | 258.74                  |
| c.      | Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade                   | 127.77                | (107.03)                    | (22.07)                     | (201.78)                |
| d.      | Employee Benefits Expense                                                                       | 77.34                 | 69.16                       | 67.23                       | 283.41                  |
| e.      | Finance Costs                                                                                   | 4.63                  | 3.25                        | 0.80                        | 9.97                    |
| f.      | Depreciation and Amortisation Expense                                                           | 33.02                 | 28.46                       | 22.37                       | 106.28                  |
| g.      | Other Expenses                                                                                  | 258.75                | 221.72                      | 250.95                      | 926.63                  |
|         | Total Expenses                                                                                  | 1326.36               | 1100.45                     | 1209.93                     | 4788.05                 |
| 3.      | Profit before Tax (1-2)                                                                         | 222.82                | 133.41                      | 213.80                      | 696.79                  |
| 4.      | Tax Expense                                                                                     |                       |                             |                             |                         |
| a.      | Current Tax                                                                                     | 72.52                 | 47.75                       | 66.55                       | 225.54                  |
| b.      | Deferred Tax                                                                                    | 5.61                  | 0.25                        | 8.67                        | 23.59                   |
|         | Total Tax Expense                                                                               | 78.13                 | 48.00                       | 75.22                       | 249.13                  |
| 5.      | Profit for the Period (3-4)                                                                     | 144.69                | 85.41                       | 138.58                      | 447.66                  |
| 6.      | Other Comprehensive Income                                                                      |                       |                             |                             |                         |
| a.      | (i) Items that will not be reclassified to Statement of Profit and Loss                         | (0.58)                | 3.24                        | (0.58)                      | 1.51                    |
|         | (ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss | 0.20                  | (1.11)                      | 0.20                        | (0.51)                  |
| b.      | (i) Items that will be reclassified to Statement of Profit and Loss                             | (4.26)                | (2.97)                      | 0.99                        | (0.79)                  |
|         | (ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss     | -                     | -                           | -                           | -                       |
|         | Total Other Comprehensive Income                                                                | (4.64)                | (0.84)                      | 0.61                        | 0.21                    |
| 7.      | Total Comprehensive Income (5+6)                                                                | 140.05                | 84.57                       | 139.19                      | 447.87                  |
| 8.      | Profit for the period attributable to:                                                          |                       |                             |                             |                         |
|         | Owners of the Company                                                                           | 146.02                | 87.20                       | 138.61                      | 452.75                  |
|         | Non-controlling interests                                                                       | (1.33)                | (1.79)                      | (0.03)                      | (5.09)                  |
|         |                                                                                                 | 144.69                | 85.41                       | 138.58                      | 447.66                  |
| 9.      | Other Comprehensive Income attributable to:                                                     |                       |                             |                             |                         |
|         | Owners of the Company                                                                           | (4.64)                | (0.87)                      | 0.61                        | 0.18                    |
|         | Non-controlling interests                                                                       | -                     | 0.03                        | -                           | 0.03                    |
|         |                                                                                                 | (4.64)                | (0.84)                      | 0.61                        | 0.21                    |
| 10.     | Total Comprehensive Income attributable to:                                                     |                       |                             |                             |                         |
|         | Owners of the Company                                                                           | 141.38                | 86.33                       | 139.22                      | 452.93                  |
|         | Non-controlling interests                                                                       | (1.33)                | (1.76)                      | (0.03)                      | (5.06)                  |
|         |                                                                                                 | 140.05                | 84.57                       | 139.19                      | 447.87                  |
| 11.     | Paid up Equity Share Capital<br>(Face value of ₹ 1 each)                                        | 53.89                 | 53.89                       | 53.89                       | 53.89                   |
| 12.     | Other Equity                                                                                    |                       |                             |                             | 3362.44                 |
| 13.     | Earnings Per Equity Share<br>(of ₹ 1 each) (not annualised)                                     |                       |                             |                             |                         |
| a.      | Basic                                                                                           | 2.71                  | 1.62                        | 2.57                        | 8.40                    |
| b.      | Diluted                                                                                         | 2.71                  | 1.62                        | 2.57                        | 8.40                    |



Notes:

1. The above unaudited consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 July 2019. These consolidated results have been subjected to "limited review" by the statutory auditors of the Company. Limited review report does not contain any qualification. The review report has been filed with stock exchange and is available on the Company's website.
2. The Consolidated financial results are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Comparative figures of consolidated results for the quarter ended 31 March 2019 and 30 June 2018 have been compiled by the Management and have not been subjected to audit/review.
3. During the current quarter, the Parent Company has acquired 100% stake in Perma Construction Aids Private Limited.
4. As the Group'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.
5. Effective 1 April, 2019, the Group has adopted Ind AS 116 "Leases" using modified retrospective approach. This has resulted in recognising a right-of-use asset of ₹ 56.87 Crores and a corresponding lease liability of ₹ 61.59 Crores. The difference of ₹ 3.07 Crores (net of deferred tax asset created of ₹1.65 Crores) has been adjusted to retained earnings as at 1st April, 2019.  
Due to transition, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation and amortisation expense" and "finance cost" for the right-to-use assets and for interest accrued on lease liability respectively, and therefore these expenses for the current period are not comparable to the previous periods disclosed. The adoption of this standard did not have any material impact on the profit and earning per share for the quarter ended 30 June 2019. However, the impact on respective line items is set out below:

| Particulars                                       | ₹ in Crores              |
|---------------------------------------------------|--------------------------|
|                                                   | Quarter ended 30.06.2019 |
| Increase in Finance cost                          | 1.26                     |
| Increase in Depreciation and Amortisation Expense | 3.08                     |
| Decrease in Other Expenses                        | 4.19                     |
| Decrease in Profit before tax                     | 0.15                     |
| Decrease in Tax expenses                          | 0.05                     |
| Decrease in Profit after tax                      | 0.10                     |

6. Previous period figures have been regrouped / rearranged, wherever necessary, to correspond to current period's presentation. Due to certain acquisitions made by the Parent Company during the current quarter and previous year, current quarter figures are not comparable with the comparative period's presented in the above consolidated financial results.



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
Date: 29 July 2019



**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report to  
The Board of Directors  
Kansai Nerolac Paints Limited**

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of Kansai Nerolac Paints Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') for the quarter ended June 30, 2019 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular'). Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended June 30, 2018 and the previous quarter ended March 31, 2019, as reported in these unaudited consolidated financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Parent Company  
- Kansai Nerolac Paints Limited

Subsidiary Companies:

- i) KNP Japan Private Limited
- ii) Kansai Paints Lanka (Private) Limited
- iii) RAK Paints Limited
- iv) Marpol Private Limited
- v) Perma Construction Aids Private Limited



Kansai Nerolac Paints Limited  
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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of 5 subsidiaries, included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 83.34 Crores, total net profit after tax of Rs. (1.02) Crores and total comprehensive income of Rs. 0.28 Crores for the quarter ended June 30, 2019 as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors, whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of the other auditors and procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.
7. Certain of these subsidiaries are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.
8. The consolidated Ind AS financial statements of the Group for the year ended March 31, 2019 included in these consolidated Ind AS financial results were audited by predecessor auditor who expressed an unmodified opinion on those consolidated financial statements on May 02, 2019.

 For S R B C & CO LLP  
 Chartered Accountants  
 ICAI Firm Registration Number: 324982E/E300003

  
 per Anil Jobanputra  
 Partner  
 Membership Number: 110759  
 UDIN: 19110759AAAABX9770

 Place: Mumbai  
 Date: July 29, 2019

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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2019

₹ in Crores

| Particulars                                                    | Standalone            |            |             |                    | Consolidated          |             |             |                    |
|----------------------------------------------------------------|-----------------------|------------|-------------|--------------------|-----------------------|-------------|-------------|--------------------|
|                                                                | For the quarter ended |            |             | For the year ended | For the quarter ended |             |             | For the year ended |
|                                                                | 30.06.2019            | 31.03.2019 | 30.06.2018  | 31.03.2019         | 30.06.2019            | 31.03.2019  | 30.06.2018  | 31.03.2019         |
|                                                                | (Unaudited)           | (Audited)  | (Unaudited) | (Audited)          | (Unaudited)           | (Unaudited) | (Unaudited) | (Audited)          |
| Total Income                                                   | 1469.98               | 1167.61    | 1389.52     | 5235.50            | 1549.18               | 1233.86     | 1423.73     | 5484.84            |
| Net Profit for the Period (before Tax and Exceptional items)   | 226.49                | 140.60     | 213.65      | 713.41             | 222.82                | 133.41      | 213.80      | 696.79             |
| Net Profit for the Period before tax (after Exceptional items) | 226.49                | 140.60     | 213.65      | 713.41             | 222.82                | 133.41      | 213.80      | 696.79             |
| Net Profit for the Period after tax (after Exceptional items)  | 147.90                | 92.82      | 139.84      | 467.35             | 144.69                | 85.41       | 138.58      | 447.66             |
| Total Comprehensive Income for the Period                      | 147.52                | 94.86      | 139.46      | 468.27             | 140.05                | 84.57       | 139.19      | 447.87             |
| Equity Share Capital                                           | 53.89                 | 53.89      | 53.89       | 53.89              | 53.89                 | 53.89       | 53.89       | 53.89              |
| Other Equity                                                   |                       |            |             | 3370.58            |                       |             |             | 3362.44            |
| Earnings Per Equity Share (of ₹ 1/- each) (not annualised)     |                       |            |             |                    |                       |             |             |                    |
| Basic                                                          | 2.74                  | 1.72       | 2.59        | 8.67               | 2.71                  | 1.62        | 2.57        | 8.40               |
| Diluted                                                        | 2.74                  | 1.72       | 2.59        | 8.67               | 2.71                  | 1.62        | 2.57        | 8.40               |

Note: The above is an extract of the detailed format of Statement of 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 Audited 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 limited review on the financial results for the quarter ended 30 June, 2019.



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
Date: 29 July 2019



## Press Release

Press Release

Mumbai, July 29, 2019

### Kansai Nerolac Paints Ltd Announces Q1 Results FY 2019-2020

**Mumbai, July 29, 2019:** Kansai Nerolac Paints Limited (KNPL), one of the leading Paint companies in India, today at the Board meeting announced its audited results for the first quarter of financial year 2019-20. For the quarter, the company declared Net sales of Rs. 1456.8 Crores a growth of 6.6 % over the corresponding quarter of the previous year.

EBIDTA was Rs. 249.0 crores a growth of 13 % over the same quarter of the previous year. Lower Non- operating income and higher depreciation resulted in Net profit growth of 5.8%.

Commenting on the results, **Mr. H. M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Ltd said**, "Decorative segment has seen good double-digit volume and value growth. This has helped offset the huge effect of the unprecedented slow-down in the automotive segment where the company has a significant exposure. The company has taken steps to enhance its product portfolio by entering niche markets such as adhesives, construction chemicals, coil coatings, premium wood coatings and functional powder coatings through acquisitions and internal initiatives. The effect of these efforts will be visible in the coming quarters. Our subsidiaries in Nepal and Bangladesh also have done well.

During the quarter, costs of inputs were stable and in line with the previous quarter trend. This along with tight control on costs has helped improve the bottom-line. Continued exchange rate and crude oil volatility have kept raw material price levels high. In the industrial segment the company still seeks to get price increase to compensate for the overall inflation. The company expects demand in Decorative segment to remain buoyant but expects challenges of demand to continue in Industrial for the near future."

### Outlook of Indian Paint Industry:

The size of domestic paint industry is estimated at Rs.50000 crores as of Mar 2019. 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 one of the leading paint company in India and is the leader in Industrial segment, having a turnover of Rs.5682 crores. The company has five strategically located manufacturing units all over India and a strong dealer network across the 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)

