

1 of 6

October 22, 2018

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, 2018.

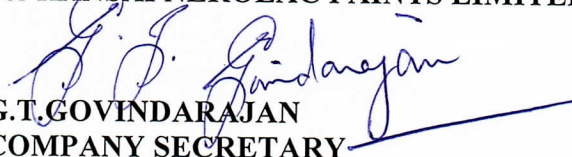
The Board of Directors of the Company has considered and approved the Unaudited Financial Results and Limited Review Report of the Statutory Auditors for the quarter ended 30th September, 2018 at its Meeting held today i.e. on 22nd October, 2018, (which meeting commenced at 11.30 a.m. and concluded at 1.45 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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Limited review report on unaudited quarterly financial results and unaudited year-to-date 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 ended 30 September 2018 and year to date results for the period from 1 April 2018 to 30 September 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

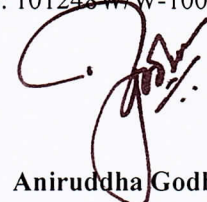
This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these unaudited financial results based on our review.

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*', specified under Section 143 (10) of the Companies Act, 2013. 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 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations 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

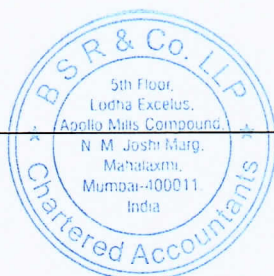
Membership No: 105149

Mumbai
22 October 2018

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

Part I

Particulars		For the quarter ended			For the six months ended		Rs. in Crores
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	For the year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2018 (Audited)
	Gross Sales / Income	1414.87	1513.26	1287.89	2928.13	2730.64	5197.77
1.	Income						
a.	Net Sales / Income from Operations (Net of Discounts and Rebates)	1286.25	1366.99	1161.82	2653.24	2482.49	4720.03
b.	Other Operating Income	7.63	8.93	2.56	16.56	5.95	16.98
c.	Other Income	13.99	13.60	14.16	27.59	34.03	72.42
	Total Income	1307.87	1389.52	1178.54	2697.39	2522.47	4809.43
2.	Expenses						
a.	Cost of Materials Consumed	819.35	808.02	653.92	1627.37	1300.87	2674.88
b.	Purchase of Stock-in-Trade	57.86	62.01	46.49	119.87	100.63	213.64
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(42.85)	(20.95)	(3.95)	(63.80)	1.84	(114.45)
d.	Excise Duty on Sale of Goods	-	-	-	-	150.44	150.44
e.	Employee Benefits Expense	63.13	63.63	58.46	126.76	111.61	226.56
f.	Depreciation and Amortisation Expense	23.08	20.40	18.70	43.48	36.75	75.79
g.	Other Expenses	201.44	242.76	188.14	444.20	394.45	796.17
	Total Expenses	1122.01	1175.87	961.76	2297.88	2096.59	4023.03
3.	Profit before Tax (1-2)	185.86	213.65	216.78	399.51	425.88	786.40
4.	Tax Expense						
a.	Current Tax	57.39	65.81	67.07	123.20	130.78	268.21
b.	Deferred Tax	6.48	8.00	5.08	14.48	9.66	1.79
	Total Tax Expense	63.87	73.81	72.15	137.68	140.44	270.00
5.	Profit for the Period (3-4)	121.99	139.84	144.63	261.83	285.44	516.40
6.	Other Comprehensive Income						
a.	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.58)	(0.58)	(0.38)	(1.16)	(1.60)	(1.67)
	(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss	0.20	0.20	0.12	0.40	0.55	0.58
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)	(0.38)	(0.38)	(0.26)	(0.76)	(1.05)	(1.09)
7.	Total Comprehensive Income (5+6)	121.61	139.46	144.37	261.07	284.39	515.31
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						3071.23
10.	Earnings Per Share (of Re.1 each) (not annualised)						
a.	Basic	2.26	2.59	2.68	4.86	5.30	9.58
b.	Diluted	2.26	2.59	2.68	4.86	5.30	9.58



		As at			
		30.09.2018		31.03.2018	
		(Unaudited)		(Audited)	
A	ASSETS				
1	Non-current Assets				
	Property, Plant and Equipment	1225.73		1004.28	
	Capital Work-in-progress	236.57		343.09	
	Investment Property	0.18		0.18	
	Other Intangible Assets	1.68		2.12	
			1464.16		1349.67
	Financial Assets				
	Investments	108.64		25.81	
	Loans	12.51		11.26	
			121.15		37.07
	Other Non-current Assets		139.02		150.49
	Total Non-current Assets		1724.33		1537.23
2	Current Assets				
	Inventories		932.16		805.76
	Financial Assets				
	Investments	250.45		519.96	
	Trade Receivables	850.75		675.69	
	Cash and Cash Equivalents	48.31		60.51	
	Bank Balances other than Cash and Cash Equivalents	252.79		300.40	
	Loans	4.38		3.32	
	Other Financial Assets	98.99		27.02	
			1505.67		1586.90
	Other Current assets		119.10		137.97
	Total Current Assets		2556.93		2530.63
	Total Assets		4281.26		4067.86
B	EQUITY AND LIABILITIES				
1	Equity				
	Equity Share Capital	53.89		53.89	
	Other Equity	3163.38		3071.23	
	Total Equity		3217.27		3125.12
	Liabilities				
2	Non-current Liabilities				
	Financial Liabilities:				
	Borrowings	3.40		9.71	
	Deferred Tax Liabilities (Net)	94.50		80.42	
	Total Non-current Liabilities		97.90		90.13
3	Current Liabilities				
	Financial Liabilities				
	Trade Payables				
	Total Outstanding dues of Micro Enterprises and Small Enterprises	-		-	
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	742.29		683.58	
		742.29		683.58	
	Other Financial Liabilities	160.95		114.35	
		903.24		797.93	
	Other Current Liabilities	32.47		29.88	
	Provisions	24.02		21.13	
	Current Tax Liabilities (Net)	6.36		3.67	
	Total Current Liabilities		966.09		852.61
	Total Liabilities		1063.99		942.74
	Total Equity and Liabilities		4281.26		4067.86

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 22 October, 2018. These results have been subjected to "limited review" by the statutory auditors of the Company. The 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.
- 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.
- The Ministry of Corporate Affairs (MCA) wide notification dated 11 October, 2018 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. The Company has incorporated appropriate changes in the above results.
- 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 six months ended 30th September, 2017 was 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 115, the revenue for the six months ended 30th September, 2018 are reported net of GST. Had the previously reported revenues been shown net of excise duty, comparative revenue of Standalone Unaudited Financial Results would have been as follows:

	six months ended		Growth %
	30.09.2018	30.09.2017	
Net Sales / Income from Operations	2653.24	2332.05	13.8

Place: Mumbai
Date: 22 October 2018



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
VICE CHAIRMAN AND MANAGING DIRECTOR

KANSAI NEROLAC PAINTS LIMITED

5 of 6

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

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Website: www.nerolac.com CIN: L24202MH1920PLC000825

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

Particulars	For the quarter ended			For six months ended		Rs. in Crores
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	For the year ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2018 (Audited)
Total Income	1307.87	1389.52	1178.54	2697.39	2522.47	4809.43
Net Profit for the Period (before Tax and Exceptional items)	185.86	213.65	216.78	399.51	425.88	786.40
Net Profit for the Period before tax (after Exceptional items)	185.86	213.65	216.78	399.51	425.88	786.40
Net Profit for the Period after tax (after Exceptional items)	121.99	139.84	144.63	261.83	285.44	516.40
Total Comprehensive Income for the Period	121.61	139.46	144.37	261.07	284.39	515.31
Equity Share Capital	53.89	53.89	53.89	53.89	53.89	53.89
Other Equity						3071.23
Earnings Per Share (of Re.1 each) (not annualised)						
Basic	2.26	2.59	2.68	4.86	5.30	9.58
Diluted	2.26	2.59	2.68	4.86	5.30	9.58

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 2018.

For KANSAI NEROLAC PAINTS LIMITED



H. M. BHARUKA
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai
Date: 22 October 2018

Press Release

Press Release

Mumbai, October 22, 2018

Kansai Nerolac Paints Ltd Announces Q2 Results FY 2018-2019

Mumbai, Oct 22, 2018: 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 2018-19. For the quarter, the company declared net sales of Rs. 1286 Crores, a growth of 10.7 % over the corresponding quarter. For the half year ended 30th September the company declared net sales of Rs. 2653 Crores a growth of 14.1 % over the corresponding period last year.

EBIDTA was Rs 195 crores down by 11.9 % over the same quarter of the previous year. For the half year EBITDA was at Rs. 415 Crores down by 3.1 % over the corresponding period last year.

Commenting on the results, **Mr. H. M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Ltd** said, "During the quarter demand was dampened. Factors like GST rate changes in July leading to destocking by dealers, lingering monsoons over many parts of India and a delayed festival season affected demand for both Decorative and Industrial customers. Despite these conditions the company has had good growth. As was being seen in earlier quarters, uncertainty on the currency front and crude oil prices was more pronounced this quarter as well. This resulted in significant increase in input costs which impacted the bottom-line. KNPL has announced price increase in Decorative from 1st October and has taken price increases in Industrial as well, effect of which will be seen in subsequent quarters. Industrial customers are being approached for further price increase to compensate for high inflation. The company expects the growth momentum to be good in Decorative but subdued for Industrial in the near future. It is hoped that the rupee and crude oil will stabilize at the current levels. Any adverse change will put further pressure on margins."

Outlook of Indian Paint Industry:

The size of domestic paint industry is estimated at Rs.47000 crores as of Mar 2018. 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.5198 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