

January 29, 2019

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| <p>1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.</p> | <p>2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051.</p> |
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Sub.: Outcome of the Board Meeting of Kansai Nerolac Paints Limited (“Company”) held on January 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 Tuesday, January 29, 2019 (“said meeting”), *inter alia* considered and approved the Unaudited Financial Results of the Company for the quarter and nine months ended on December 31, 2018 for the Financial Year 2018-19 (“Unaudited Financial Results”). The said meeting commenced at 10.35 a.m. and concluded at 2.00 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 January 29, 2019, issued by the Statutory Auditors of the Company w.r.t. the Unaudited Financial Results and taken on record by the Board of Directors of the Company.

A press release on the Unaudited Financial Results issued in this regard 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.

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

Part I Particulars		For the quarter ended			For the nine months ended		Rs. in Crores
		31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	For the year ended
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2018 (Audited)
1.	Gross Sales / Income	1486.19	1414.87	1262.94	4414.32	3993.58	5197.77
	Income						
a.	Net Sales / Income from Operations (Net of Discounts and Rebates)	1343.64	1286.25	1139.27	3996.88	3621.76	4720.03
b.	Other Operating Income	7.02	7.63	5.74	23.58	11.69	16.98
c.	Other Income	19.84	13.99	19.76	47.43	53.79	72.42
	Total Income	1370.50	1307.87	1164.77	4067.89	3687.24	4809.43
2.	Expenses						
a.	Cost of Materials Consumed	841.84	819.35	669.24	2469.21	1970.11	2674.88
b.	Purchase of Stock-in-Trade	68.54	57.86	52.20	188.41	152.83	213.64
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(26.15)	(42.85)	(34.89)	(89.95)	(33.05)	(114.45)
d.	Excise Duty on Sale of Goods	-	-	-	-	150.44	150.44
e.	Employee Benefits Expense	67.70	63.13	57.85	194.46	169.46	226.56
f.	Depreciation and Amortisation Expense	23.51	23.08	19.37	66.99	56.12	75.79
g.	Other Expenses	221.76	201.44	208.37	665.96	602.82	796.17
	Total Expenses	1197.20	1122.01	972.14	3495.08	3068.73	4023.03
3.	Profit before Tax (1-2)	173.30	185.86	192.63	572.81	618.51	786.40
4.	Tax Expense						
a.	Current Tax	51.93	57.39	60.34	175.13	191.12	268.21
b.	Deferred Tax	8.67	6.48	7.14	23.15	16.80	1.79
	Total Tax Expense	60.60	63.87	67.48	198.28	207.92	270.00
5.	Profit for the Period (3-4)	112.70	121.99	125.15	374.53	410.59	516.40
6.	Other Comprehensive Income						
a.	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.57)	(0.58)	(0.80)	(1.73)	(2.40)	(1.67)
	(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss	0.21	0.20	0.28	0.61	0.83	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)	(0.36)	(0.38)	(0.52)	(1.12)	(1.57)	(1.09)
7.	Total Comprehensive Income (5+6)	112.34	121.61	124.63	373.41	409.02	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	2.09	2.26	2.32	6.95	7.62	9.58
b.	Diluted	2.09	2.26	2.32	6.95	7.62	9.58

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 January 2019. 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) vide 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 nine months ended 31 December 2017 was reported inclusive of Excise Duty. The Government of India has implemented Goods and Services Tax ('GST') from 1st July 2017 replacing Excise duty, Service Tax and various other indirect taxes. As per Ind AS 115 - 'Revenue from Contracts with Customers', the revenue for the nine months ended 31 December 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:

	Rs. in Crores		Growth %
	For the nine months ended 31.12.2018	31.12.2017	
Net Sales / Income from Operations	3996.88	3471.32	15.1



Place: Mumbai
Date: 29 January 2019

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

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Website: www.nerolac.com CIN: L24202MH1920PLC000825

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2018

Particulars	For the quarter ended			For the nine months ended		Rs. in Crores
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	For the year ended
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	31.03.2018 (Audited)
Total Income	1370.50	1307.87	1164.77	4067.89	3687.24	4809.43
Net Profit for the Period (before Tax and Exceptional items)	173.30	185.86	192.63	572.81	618.51	786.40
Net Profit for the Period before tax (after Exceptional items)	173.30	185.86	192.63	572.81	618.51	786.40
Net Profit for the Period after tax (after Exceptional items)	112.70	121.99	125.15	374.53	410.59	516.40
Total Comprehensive Income for the Period	112.34	121.61	124.63	373.41	409.02	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	2.09	2.26	2.32	6.95	7.62	9.58
Diluted	2.09	2.26	2.32	6.95	7.62	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 nine months ended 31 December 2018.

For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai
Date: 29 January 2019

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Apollo Mills Compound
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Limited review report on Unaudited Quarterly Standalone Financial Results and Unaudited Standalone year-to-date 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 standalone financial results ('the Statement') of Kansai Nerolac Paints Limited ('the Company') for the quarter ended 31 December 2018 and year-to-date results for the period from 1 April 2018 to 31 December 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').

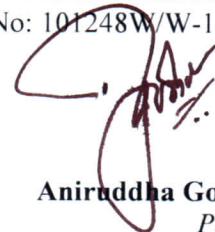
This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these unaudited financial results based on our review.

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 standalone 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
29 January 2019

Press Release

Press Release

Mumbai, January 29, 2019

Kansai Nerolac Paints Ltd Announces Q3 Results FY 2018-2019

Mumbai, Jan 29, 2019: Kansai Nerolac Paints Limited (KNPL), one of the leading Paint companies in India, today at the Board meeting announced its unaudited results for the third quarter of financial year 2018-19. For the quarter, the company declared net sales of Rs. 1343.6 Crores, a growth of 17.9 % over the corresponding quarter. For the nine months ended 31st December the company declared net sales of Rs. 3996.9 Crores a growth of 15.1 % over the corresponding period last year.

EBIDTA was Rs. 177 crores de-growth of 7.9% over the same quarter of the previous year. For the nine months EBITDA was at Rs. 592.4 Crores de-growth of 4.6% over the corresponding period last year. Net profit (PAT) was at Rs 112.7 crores de-growth of 9.9 % over the same quarter of the previous year. For the nine months Net Profit (PAT) was at Rs. 374.5 Crores de-growth of 8.8 % 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 positive for Decorative but very subdued for Industrial. A delayed festive season contributed to good demand during the quarter for Decorative. Lower growth in the Automotive industry especially negative growth in passenger cars led to a lower demand for Automotive and Industrial products in general.

Cost pressures continue to be high. This coupled with inability to pass on the full impact of cost increase to Industrial customers as well as inventory loss has impacted the bottom-line. Decorative margin continues to remain healthy.

From November there was a decline in crude oil prices and a marginal strengthening of the rupee vis a vis the dollar. However prices of derivatives still need to come down. KNPL has increased prices in Decorative twice during the quarter and has obtained some price increase in Industrial to partially offset the sharp inflation seen in material costs. The impact of these should be visible in the fourth quarter.

The company expects the growth momentum to be good in Decorative but subdued for Industrial for the near future."

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

Press Release

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
