

8th May, 2023

1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.
2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Sub.: Outcome of the Board Meeting of Kansai Nerolac Paints Limited held on 8th May, 2023 – Audited Financial Results

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

Dear Sirs,

This is to inform you that the Board of Directors of Kansai Nerolac Paints Limited has, at the Board Meeting held today i.e. on Monday, 8th May, 2023, *inter alia* considered and approved the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended 31st March, 2023 (“Audited Financial Results”).

The Board Meeting commenced at 12:50 p.m. and concluded 6.35 p.m.

Further, pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), please find enclosed herewith:

- (i) the Audited Financial Results; and
- (ii) Auditors Report dated 8th May, 2023, issued by the Statutory Auditors of the Company with respect to the Audited Financial Results and taken on record by the Board of Directors of the Company.

In terms of the provisions of Regulation 33(3)(d) of SEBI Listing Regulations, as amended, we declare that the Statutory Auditor of the Company, viz. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003) have issued the Auditors Report with unmodified opinion on the Audited Financial Results of the Company for the financial year ended 31st March, 2023.

A press release issued on the Audited Financial Results is also enclosed herewith.

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

For **KANSAI NEROLAC PAINTS LIMITED**

G. T. GOVINDARAJAN
COMPANY SECRETARY

Encl.: As above.

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

To
**The Board of Directors of
 Kansai Nerolac Paints Limited**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Kansai Nerolac Paints Limited (the "Company") for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



SRBC & CO LLP

Chartered Accountants

Kansai Nerolac Paints Limited

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In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-



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Kansai Nerolac Paints Limited

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to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anil Jobanputra

Partner

Membership No.: 110759

UDIN: 23110759BGVZSB1268

Place: Mumbai

Date: May 08, 2023



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 AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

₹ in Crores

Sr. No.	Particulars	For the quarter ended			For the year ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Audited) Refer Note 2	(Unaudited)	(Audited) Refer Note 2	(Audited)	(Audited)
1	Income					
	Revenue from Operations	1605.11	1717.07	1412.83	7081.02	5948.90
	Other Income	14.30	8.61	7.62	30.83	32.86
	Total Income	1619.41	1725.68	1420.45	7111.85	5981.76
2	Expenses					
a.	Cost of Materials Consumed	1020.18	1085.48	1073.05	4595.16	4013.98
b.	Purchase of Stock-in-Trade	105.80	110.10	95.79	466.56	396.22
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(27.43)	2.87	(151.17)	(106.38)	(280.94)
d.	Employee Benefits Expense	90.43	83.17	96.64	333.84	312.37
e.	Finance Costs	2.45	2.47	2.64	9.73	9.87
f.	Depreciation and Amortisation Expense	42.01	42.13	39.09	164.63	153.82
g.	Other Expenses	263.68	246.95	215.58	997.95	859.93
	Total Expenses	1497.12	1573.17	1371.62	6461.49	5465.25
3	Profit before exceptional items and tax	122.29	152.51	48.83	650.36	516.51
4	Exceptional item	-	-	(11.39)	-	(11.39)
5	Profit before tax	122.29	152.51	37.44	650.36	505.12
6	Tax Expense					
a.	Current Tax	28.08	38.25	13.14	159.71	132.35
b.	Adjustment of tax relating to earlier periods	(2.43)	-	-	(2.43)	-
c.	Deferred Tax	2.65	1.98	(0.23)	6.65	(1.56)
	Total Tax Expense	28.30	40.23	12.91	163.93	130.79
7	Profit for the Period	93.99	112.28	24.53	486.43	374.33
8	Other Comprehensive Income					
	(i) Items that will not be reclassified to Statement of Profit and Loss	(1.18)	0.46	4.10	0.21	3.35
	(ii) Income tax on item that will not be reclassified to Statement of Profit and Loss	0.30	(0.12)	(1.03)	(0.05)	(0.84)
9	Other Comprehensive Income (net of tax)	(0.88)	0.34	3.07	0.16	2.51
10	Total Comprehensive Income	93.11	112.62	27.60	486.59	376.84
11	Paid up Equity Share Capital (Face value of ₹ 1 each)	53.89	53.89	53.89	53.89	53.89
12	Other Equity				4553.49	4117.04
13	Earnings Per Equity Share (of ₹ 1 each) (not annualised)					
a.	Basic	1.74	2.08	0.46	9.03	6.95
b.	Diluted	1.74	2.08	0.46	9.02	6.95

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		As at			
		31.03.2023		31.03.2022	
		(Audited)		(Audited)	
A	ASSETS				
	1 Non-current Assets				
	Property, Plant and Equipment	1812.96		1701.27	
	Capital Work-in-progress	112.62		223.88	
	Right of Use Assets (ROU)	172.95		165.15	
	Investment Property	0.13		0.18	
	Goodwill	0.20		0.20	
	Other Intangible Assets	8.70		9.35	
			2107.56		2100.03
	Financial Assets:				
	Investments	154.90		90.87	
	Other Financial Assets	16.63		13.70	
			171.53		104.57
	Non-current Tax Assets (Net)		145.63		132.19
	Other Non-current Assets		88.29		87.62
	Total Non-current Assets		2513.01		2424.41
	2 Current Assets				
	Inventories		1648.02		1531.54
	Financial Assets:				
	Investments	498.13		209.46	
	Trade Receivables	1117.15		965.43	
	Cash and Cash Equivalents	90.22		66.44	
	Bank Balances other than Cash and Cash Equivalents	4.52		14.21	
	Other Financial Assets	11.72		29.17	
			1721.74		1284.71
	Other Current assets		192.31		155.06
	Total Current Assets		3562.07		2971.31
	3 Asset held for Sale		0.05		-
	Total Assets		6075.13		5395.72
B	EQUITY AND LIABILITIES				
	1 Equity				
	Equity Share Capital	53.89		53.89	
	Other Equity	4553.49		4117.04	
	Total Equity		4607.38		4170.93
	Liabilities				
	2 Non-current Liabilities				
	Financial Liabilities:				
	Lease Liabilities	93.78		85.93	
	Provisions	21.13		22.27	
	Deferred Tax Liabilities (Net)	102.25		95.55	
	Total Non-current Liabilities		217.16		203.75
	3 Current Liabilities				
	Financial Liabilities:				
	Lease Liabilities	25.49		22.95	
	Trade Payables:				
	Total Outstanding dues of Micro Enterprises and Small Enterprises	88.55		101.29	
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	848.96		789.11	
		937.51		890.40	
	Other Financial Liabilities	68.32		51.51	
		1031.32		964.86	
	Other Current Liabilities	198.38		32.61	
	Provisions	20.89		18.58	
	Current Tax Liabilities (Net)	-		4.99	
	Total Current Liabilities		1250.59		1021.04
	Total Liabilities		1467.75		1224.79
	Total Equity and Liabilities		6075.13		5395.72

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- 1 The above audited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 8 May 2023. The statutory auditors have expressed an unqualified audit opinion. The audit report has been filed with stock exchange and is available on the Company's website.
- 2 The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to 31 March, 2023 and 31 March, 2022 and the unaudited published year-to-date figures up to 31 December, 2022 and 31 December, 2021, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- 3 The Standalone financial results are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the 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.
- 4 As the Management Committee monitors the business activity of the Company as a single segment viz. 'Paints' and the sales substantially being in the domestic market, the financial results are reflective of the disclosure requirements of Ind AS 108 - Operating Segments.
- 5 During the period, the Company has granted 11,92,792 restricted stock units to the eligible employees as determined by the Nomination and Remuneration Committee of the Company. Consequently, employee benefits expense includes provision of ₹ 3.75 Crores made towards Share Based Payment Expense for the quarter and year ended 31 March 2023.
- 6 On 31 March, 2023, the Company has entered into a Share Purchase Agreement with Polygel Industries Private Limited (Polygel), its Promoters and Nerofix Private Limited (Nerofix) for acquisition of shares (40% of the total shareholding) of Nerofix from Polygel for cash consideration of ₹ 37.00 Crores. The said shares have been transferred to the Company on same date. Consequent to the said acquisition of shares, Nerofix has become a wholly owned (100%) subsidiary of the Company.
- 7 The Board has recommended final dividend of 270% (₹ 2.70 per share) for the financial year ended 31 March, 2023. This compared with a total dividend of 225% (₹ 2.25 per share) declared last year.
- 8 The Board has considered and approved issue of 1 bonus equity shares of face value of ₹ 1 each against 2 equity share of the face value of ₹ 1 each. This is subject to shareholder's approval.

For KANSAI NEROLAC PAINTS LIMITED


ANUJ JAIN
MANAGING DIRECTOR



Place: Mumbai
Date: 8 May 2023



₹ in Crores

Particulars	Year ended 31.03.2023 (Audited)	Year ended 31.03.2022 (Audited)
Cash Flow From Operating Activities		
Profit Before Tax	650.36	505.12
Adjustments for:		
Depreciation and Amortisation Expenses	164.63	153.82
Fair Value (Gain)/Loss on Financial Instruments recognised through FVTPL	(6.54)	0.61
Unrealised Foreign Exchange Gain (Net)	(1.11)	(0.95)
Profit on Sale of Current Investments (Net)	(7.32)	(14.29)
Interest Income	(1.32)	(1.45)
Dividend Income	(2.79)	(2.52)
Profit on Sale of Property, Plant and Equipment (Net)	(0.22)	(0.19)
Finance Cost	9.73	9.87
Impairment loss allowance on trade receivables	0.51	2.36
Provision / liabilities no longer required written back	(0.66)	(47.44)
Share based payment expense	3.75	-
Gain from closure of lease liability	(0.73)	-
Impairment of non-current investment	-	11.39
	157.93	111.21
Operating Profit Before Working Capital Changes	808.29	616.33
(Increase) in Trade and Other Receivables	(203.52)	(85.72)
(Increase) in Inventories	(116.48)	(419.73)
Increase in Trade Payables, Other Financial Liabilities and Provisions	73.61	98.83
	(246.39)	(406.62)
Cash Generated from Operations	561.90	209.71
Direct Taxes Paid (Net of Refunds)	(175.71)	(150.62)
Net Cash Flows generated from Operating Activities	386.19	59.09
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Other Intangible Assets (including Adjustments on Account of Capital Work-in-progress, Capital Creditors and Capital Advances)	(111.30)	(213.78)
Proceeds from Sale of Property, Plant and Equipment	0.81	0.24
Advance received against Sale of Investment Property	162.11	-
Purchase of Investments in Subsidiaries	(61.89)	-
Purchase of non-current Investments	(2.14)	(0.14)
Purchase of Current Investments	(2782.50)	(3014.36)
Proceeds from Sale/Redemption of Current Investments	2507.69	3486.64
Interest Received	1.32	1.45
Dividend Received	2.79	2.52
Proceeds from/(Investments in) fixed deposits	9.57	(11.11)
Net Cash Flows (used in)/generated from Investing Activities	(273.54)	251.46
Cash Flows from Financing Activities		
Repayment of Current Borrowings	-	(8.34)
Payment of Lease Liabilities	(34.98)	(32.76)
Interest Paid	-	(0.38)
Dividend Paid	(53.89)	(282.93)
Net Cash Flows (used in) Financing Activities	(88.87)	(324.41)
Net Increase/(Decrease) in Cash and Cash Equivalents	23.78	(13.86)
Cash and Cash Equivalents at beginning of the period, the components being:		
Cash on Hand	0.08	0.08
Cheques on hand	23.34	16.78
Balances with Banks	42.04	62.46
Effect of exchange rate fluctuation	0.98	0.98
	66.44	80.30
Cash and Cash Equivalents at end of the period, the components being:		
Cash on Hand	0.06	0.08
Cheques on hand	22.38	23.34
Balances with Banks	61.80	42.04
Deposit with Banks with less than 3 months maturity	5.00	-
Effect of exchange rate fluctuation	0.98	0.98
	90.22	66.44
Net Increase/(Decrease) as disclosed above	23.78	(13.86)

Notes:

The above Cash Flow Statement is prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7) - Statement of Cash Flows

SIGNED FOR IDENTIFICATION

BY

[Signature]

**SRBC & CO
MUMBAI**



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

To
**The Board of Directors of
Kansai Nerolac Paints Limited**

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Kansai Nerolac Paints Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended March 31, 2023 and for the year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements and financial information of the subsidiaries, the Statement:

- i. includes the results of the following entities:

Holding Company

- Kansai Nerolac Paints Limited

Subsidiary Companies

- KNP Japan Private Limited
- Kansai Paints Lanka (Private) Limited
- Kansai Nerolac Paints (Bangladesh) Limited
- Nerofix Private Limited

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2023 and for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



S R B C & CO LLP

Chartered Accountants

Kansai Nerolac Paints Limited

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Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report



Kansai Nerolac Paints Limited

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to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the audited financial results and other financial information, in respect of 3 subsidiaries, whose financial statements include total assets of Rs. 289.35 Crores as at March 31, 2023, total revenues of Rs. 94.59 Crores and Rs. 347.37 Crores, total net profit/(loss) after tax of Rs. 5.20 Crores and Rs. (9.71) Crores, total comprehensive income of Rs. 6.95 Crores and Rs. 0.31 Crores, for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 24.07 Crores for the year ended March 31, 2023, as considered in the Statement which have been audited by their respective independent auditors.

The independent auditor's report on the financial statements and financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion 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 Holding Company and audited by us.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



S R B C & CO LLP

Chartered Accountants

Kansai Nerolac Paints Limited

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The Statement includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Anil Jobanputra

Partner

Membership No.: 110759

UDIN: 23110759BGVZSA2465

Place: Mumbai

Date: May 08, 2023



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 AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

Sr. No.	Particulars	For the quarter ended			For the year ended	
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Audited) Refer note 2	(Unaudited)	(Audited) Refer note 2	(Audited)	(Audited)
1	Income					
	Revenue from Operations	1733.59	1826.81	1536.60	7542.73	6369.35
	Other Income	9.70	7.38	(0.97)	25.98	25.41
	Total Income	1743.29	1834.19	1535.63	7568.71	6394.76
2	Expenses					
a.	Cost of Materials Consumed	1092.27	1156.77	1155.22	4888.68	4318.57
b.	Purchase of Stock-in-Trade	107.11	110.33	97.30	470.36	401.54
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(18.82)	4.28	(145.08)	(94.76)	(292.81)
d.	Employee Benefits Expense	100.82	93.83	107.70	377.05	355.58
e.	Finance Costs	6.80	7.41	7.82	29.00	28.59
f.	Depreciation and Amortisation Expense	45.81	46.00	43.04	180.08	169.77
g.	Other Expenses	284.09	266.12	237.54	1083.41	937.11
	Total Expenses	1618.08	1684.74	1503.54	6933.82	5918.35
3	Profit before tax	125.21	149.45	32.09	634.89	476.41
4	Tax Expense					
a.	Current Tax	29.06	39.00	13.90	163.52	136.46
b.	Adjustment of tax relating to earlier periods	(2.43)	-	-	(2.43)	-
c.	Deferred Tax	2.34	1.48	(0.98)	5.33	(3.20)
	Total Tax Expense	28.97	40.48	12.92	166.42	133.26
5	Profit for the Period	96.24	108.97	19.17	468.47	343.15
6	Other Comprehensive Income					
a.	(i) Items that will not be reclassified to Statement of Profit and Loss	(1.61)	0.47	3.80	(0.22)	3.05
	(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss	0.30	(0.12)	(1.03)	(0.05)	(0.84)
b.	(i) Items that will be reclassified to Statement of Profit and Loss	2.16	(0.77)	1.10	10.42	1.00
	(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-
	Total Other Comprehensive Income	0.85	(0.42)	3.87	10.15	3.21
7	Total Comprehensive Income	97.09	108.55	23.04	478.62	346.36
8	Profit for the period attributable to:					
	Owners of the Company	93.77	109.92	24.73	473.58	358.86
	Non-controlling interests	2.47	(0.95)	(5.56)	(5.11)	(15.71)
		96.24	108.97	19.17	468.47	343.15
9	Other Comprehensive Income attributable to:					
	Owners of the Company	1.03	(0.42)	4.01	10.33	3.35
	Non-controlling interests	(0.18)	-	(0.14)	(0.18)	(0.14)
		0.85	(0.42)	3.87	10.15	3.21
10	Total Comprehensive Income attributable to:					
	Owners of the Company	94.80	109.50	28.74	483.91	362.21
	Non-controlling interests	2.29	(0.95)	(5.70)	(5.29)	(15.85)
		97.09	108.55	23.04	478.62	346.36
11	Paid up Equity Share Capital (Face value of ₹ 1 each)	53.89	53.89	53.89	53.89	53.89
12	Other Equity				4479.81	4078.33
13	Earnings Per Equity Share (of ₹ 1 each) (not annualised)					
a.	Basic	1.74	2.04	0.46	8.79	6.66
b.	Diluted	1.74	2.04	0.46	8.78	6.66

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		As at	
		31.03.2023	31.03.2022
		(Audited)	(Audited)
A	ASSETS		
1	Non-current Assets		
	Property, Plant and Equipment	1888.24	1775.38
	Capital Work-in-progress	113.06	224.58
	Right of Use Assets (ROU)	182.45	174.00
	Investment Property	0.13	0.18
	Goodwill	19.78	19.78
	Other Intangible Assets	17.41	26.82
	Financial Assets:	2221.07	2220.74
	Investments	3.23	1.08
	Other Financial Assets	16.80	13.87
	Non-Current Tax Assets (Net)	20.03	14.95
	Other Non-current Assets	173.83	155.77
		88.31	87.64
	Total Non-current Assets	2503.24	2479.10
2	Current Assets		
	Inventories	1729.13	1629.55
	Financial Assets:		
	Investments	498.13	209.46
	Trade Receivables	1237.91	1093.33
	Cash and Cash Equivalents	104.61	77.04
	Bank Balances other than Cash and Cash Equivalents	22.25	28.96
	Other Financial Assets	9.40	26.49
	Other Current assets	1872.30	1435.28
		201.64	165.45
	Total Current Assets	3803.07	3230.28
3	Asset held for Sale	0.05	-
	Total Assets	6306.36	5709.38
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity Share Capital	53.89	53.89
	Other Equity	4479.81	4078.33
	Non-controlling Interest	4533.70	4132.22
		26.71	19.29
	Total Equity	4560.41	4151.51
	Liabilities		
2	Non-current Liabilities		
	Financial Liabilities:		
	Borrowings	4.69	10.94
	Lease Liabilities	99.97	92.11
	Provisions	22.76	22.27
	Deferred Tax Liabilities (Net)	111.88	106.49
	Total Non-current Liabilities	239.30	231.81
3	Current Liabilities		
	Financial Liabilities:		
	Borrowings	155.30	192.06
	Lease Liabilities	27.08	23.60
	Trade Payables:		
	Total Outstanding dues of Micro Enterprises and Small Enterprises	90.81	102.37
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	924.74	878.27
	Other Financial Liabilities	1015.55	980.64
		69.74	52.98
	Other Current Liabilities	1267.67	1249.28
	Provisions	215.76	51.17
	Current Tax Liabilities (Net)	23.22	20.62
		-	4.99
	Total Current Liabilities	1506.65	1326.06
	Total Liabilities	1745.95	1557.87
	Total Equity and Liabilities	6306.36	5709.38

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Notes:

- 1 The above audited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 8 May 2023. The statutory auditors have expressed an unqualified audit opinion. The audit report has been filed with stock exchange and is available on the Holding Company's website.
- 2 The figures of the last quarters are the balancing figures between audited figures in respect of the full financial year up to 31 March, 2023 and 31 March, 2022 and the unaudited published year-to-date figures up to 31 December, 2022 and 31 December, 2021, being the date of the end of the third quarter of the respective financial years which were subjected to limited review.
- 3 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.
- 4 As the Management Committee monitors the business activity consisting of paints and other related products of the Group as a single segment viz. 'Paints' and the sales substantially being in the domestic market, the financial results are reflective of the disclosure requirements of Ind AS 108 - Operating Segments.
- 5 During the period, the Holding Company has granted 11,92,792 restricted stock units to the eligible employees of the Holding Company as determined by the Nomination and Remuneration Committee of the Holding Company. Consequently, employee benefits expense includes provision of ₹ 3.75 Crores made towards Share Based Payment Expense for the quarter and year ended 31 March 2023.
- 6 On 31 March, 2023, the Holding Company has entered into a Share Purchase Agreement with Polygel Industries Private Limited (Polygel), its Promoters and Nerofix Private Limited (Nerofix) for acquisition of shares (40% of the total shareholding) of Nerofix from Polygel for cash consideration of ₹ 37.00 Crores. The said shares have been transferred to the Holding Company on same date. Consequent to the said acquisition of shares, Nerofix has become a wholly owned (100%) subsidiary of the Holding Company. Accordingly, the same is considered as change in non-controlling interest under consolidated financial results and the impact of ₹ 32.28 Crores is accounted under 'Other Equity'.
- 7 The Holding Company's Board has recommended final dividend of 270% (₹ 2.70 per share) for the financial year ended 31 March, 2023. This compared with a total dividend of 225% (₹ 2.25 per share) declared last year.
- 8 The Holding Company's Board has considered and approved issue of 1 bonus equity shares of face value of ₹ 1 each against 2 equity share of the face value of ₹ 1 each. This is subject to shareholder's approval.

For KANSAI NEROLAC PAINTS LIMITED


ANUJ JAIN
MANAGING DIRECTORPlace: Mumbai
Date: 8 May 2023

₹ in Crores

Particulars	Year ended 31.03.2023 (Audited)	Year ended 31.03.2022 (Audited)
Cash Flow From Operating Activities		
Profit Before Tax	634.89	476.41
Adjustments for:		
Depreciation and Amortisation Expenses	180.08	169.77
Fair Value (Gain)/ Loss on Financial Instruments recognised through FVTPL	(6.54)	0.61
Unrealised Foreign Exchange Gain (Net)	(1.11)	(0.95)
Profit on Sale of Current Investments (Net)	(7.32)	(14.29)
Interest Income	(2.84)	(2.59)
Dividend Income	(0.03)	(0.03)
Profit on Sale of Property, Plant and Equipment (Net)	(0.32)	(0.60)
Finance Cost	29.00	28.59
Impairment loss allowance on trade receivables	2.43	2.81
Provision / liabilities no longer required written back	(0.66)	(47.44)
Share based payment expense	3.75	-
Gain from Closure of Lease Liability	(0.73)	-
	195.71	135.88
Operating Profit Before Working Capital Changes	830.60	612.29
(Increase) in Trade and Other Receivables	(196.94)	(106.29)
(Increase) in Inventories	(99.58)	(431.61)
Increase in Trade Payables, Other Financial Liabilities and Provisions	60.72	112.14
	(235.80)	(425.76)
Cash Generated from Operations	594.80	186.53
Direct Taxes Paid (Net of Refunds)	(186.55)	(161.76)
Net Cash Flows generated from Operating Activities	408.25	24.77
Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment and Other Intangible Assets (including Adjustments on Account of Capital Work-in-progress, Capital Creditors and Capital Advances)	(123.17)	(219.01)
Proceeds from Sale of Property, Plant and Equipment	1.65	1.07
Advance received against Sale of Investment Property	162.11	-
Purchase of Non-current Investments	(2.15)	(0.14)
Purchase of Current Investments	(2782.50)	(3014.36)
Proceeds from Sale/Redemption of Current Investments	2507.69	3486.64
Interest Received	2.84	2.59
Dividend Received	0.03	0.03
Proceeds from / (Investments in) fixed deposits	6.59	(7.28)
Net Cash Flows (used in)/generated from Investing Activities	(226.91)	249.54
Cash Flows from Financing Activities		
Repayment of Long-term Borrowings	(6.25)	(0.05)
(Repayment) of/ Proceeds from Current Borrowings	(15.59)	26.99
Payment of lease liabilities	(37.00)	(34.11)
Interest Paid	(18.58)	(18.10)
Dividend Paid	(55.18)	(284.04)
Net Cash Flows (used in) Financing Activities	(132.60)	(309.31)
Net Increase/(Decrease) in Cash and Cash Equivalents	48.74	(35.00)
Cash and Cash Equivalents at beginning of the period, the components being:		
Cash on Hand	1.11	0.30
Cheques on hand	23.34	16.78
Balances with Banks	51.61	85.86
Bank Overdrafts and Cash Credit	(88.21)	(79.00)
Effect of exchange rate fluctuation	0.98	(0.11)
	(11.17)	23.83
Cash and Cash Equivalents at end of the period, the components being:		
Cash on Hand	0.27	1.11
Cheques on hand	22.38	23.34
Balances with Banks	75.97	51.61
Deposit with Banks with less than 3 months maturity	5.00	-
Bank Overdrafts and Cash Credit	(67.03)	(88.21)
Effect of exchange rate fluctuation	0.98	0.98
	37.57	(11.17)
Net Increase/(Decrease) as disclosed above	48.74	(35.00)

Notes:

The above Cash Flow Statement is prepared under the "Indirect Method" as set out in the Indian Accounting Standards (Ind AS-7) – Statement of Cash Flows

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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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2023

₹ in Crores

Particulars	Standalone					Consolidated				
	For the quarter ended			For the year ended		For the quarter ended			For the year ended	
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue from Operations	1605.11	1717.07	1412.83	7081.02	5948.90	1733.59	1826.81	1536.60	7542.73	6369.35
Net Profit for the Period (before Tax and Exceptional items)	122.29	152.51	48.83	650.36	516.51	125.21	149.45	32.09	634.89	476.41
Net Profit for the Period before tax (after Exceptional items)	122.29	152.51	37.44	650.36	505.12	125.21	149.45	32.09	634.89	476.41
Net Profit for the Period after tax (after Exceptional items)	93.99	112.28	24.53	486.43	374.33	96.24	108.97	19.17	468.47	343.15
Total Comprehensive Income for the Period	93.11	112.62	27.60	486.59	376.84	97.09	108.55	23.04	478.62	346.36
Equity Share Capital	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89
Other Equity				4553.49	4117.04				4479.81	4078.33
Earnings Per Equity Share (of ₹ 1/- each) (not annualised)										
Basic	1.74	2.08	0.46	9.03	6.95	1.74	2.04	0.46	8.79	6.66
Diluted	1.74	2.08	0.46	9.02	6.95	1.74	2.04	0.46	8.78	6.66

Note: The above is an extract of the detailed format of Statement of Audited 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 <https://www.bseindia.com> and <https://www.nseindia.com> and also on the Company's website at <https://www.nerolac.com>. The auditors have expressed an unqualified audit report on the financial results for the quarter and year ended 31 March, 2023.

For KANSAI NEROLAC PAINTS LIMITED


ANUJ JAIN
MANAGING DIRECTORPlace: Mumbai
Date: 8 May 2023

Press Release

Mumbai, May 8, 2023

Kansai Nerolac Paints Ltd Announces Results for Q4 2023 & FY 2022-2023

Mumbai, May 8, 2023: Kansai Nerolac Paints Limited (KNPL), one of the leading Paint companies in India, today at the Board meeting announced its audited results for the quarter and year ended 31 March 2023.

For the quarter, the company earned Net revenue from operations of Rs. 1605 Crores, a growth of 13.6 % over the corresponding quarter of the previous year. For the year, the company earned Net Revenue from operations of Rs. 7081 Crores a growth of 19.0 % over the corresponding period of the previous year.

EBIDTA was at Rs. 153 Crores, a growth of 83.8 % over Q4 of 2021-22. PAT was at Rs. 94 Crore, a growth of 283.2 % over Q4 of 2021-22. For the year period EBITDA was at Rs. 794 Crores, a growth of 22.6 % over previous year. PAT for the year was Rs 486 Crores, a growth of 29.9 % over previous year.

The Board has recommended a dividend of 270% (Rs. 2.70 per share) for the financial year ended March 31, 2023, as compared to total dividend of 225% (Rs. 2.25 per share) of the previous year.

The Board has considered and approved Issue of 1 Bonus Equity shares of face value Re. 1 each against 2 equity share of face value Re. 1 each. This is subject to shareholders' approval.

Commenting on the results, **Mr. Anuj Jain, Managing Director, Kansai Nerolac Paints Ltd said**, "During the quarter all businesses have done well. Though raw material prices have softened, for the year, inflation is still positive. Judicious cost management efforts were continued. This along with various initiatives undertaken in previous quarters have led to the gross margins improving both over the corresponding quarter last year and sequentially. The company continued with growth initiatives in Decorative and Performance coating. These initiatives which are in the area of feet on street, digital interventions, influencer outreach, new product launches, approvals, and projects have gathered momentum. The results are encouraging, and these initiatives are being expanded to more cities. Looking forward demand is expected to remain healthy in the near term."

Outlook of Indian Paint Industry:

The size of domestic paint industry is estimated at around Rs. 70000 crores as of March 2023. 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 in the long run.

About Kansai Nerolac Paints Ltd:

Kansai Nerolac Paints now in its 103rd year has been at the forefront of paint manufacturing pioneering a wide spectrum of quality paints. Kansai Nerolac is one of the leading paint companies in India and is the leader in Industrial paints. The company has eight 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 .