

November 1, 2019

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| <p>1. Corporate Relationship Department<br/><b>BSE Limited,</b><br/>Phiroze Jeejeebhoy Towers,<br/>Dalal Street,<br/>Mumbai- 400001.</p> | <p>2. Manager – Listing<br/><b>National Stock Exchange of India Ltd.</b><br/>Exchange Plaza, C-1, Block G,<br/>Bandra Kurla Complex, Bandra (E),<br/>Mumbai – 400 051.</p> |
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**Sub.: Outcome of the Board Meeting of Kansai Nerolac Paints Limited held on November 1, 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**  
**2. Scrip Codes : BSE - 500165, NSE - KANSAINER**

Dear Sir/ Madam,

Kindly note that the Board of Directors of Kansai Nerolac Paints Limited (“Company”) has, in its meeting held today i.e. on Friday, November 1, 2019 (“Board Meeting”), *inter alia* considered and approved the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and six months ended on September 30, 2019 (“Unaudited Financial Results”).

The Board Meeting commenced at 11.50 a.m. and concluded at 1.45 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 Unaudited Financial Results; and
- (ii) Limited Review Report dated November 1, 2019, issued by the Statutory Auditors of the Company with respect to the Unaudited 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.: L24202MH1920PLCOOO825

## 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 AND SIX MONTHS ENDED 30 SEPTEMBER 2019

Sr. No.	Particulars	For the quarter ended			For the six months ended		For the year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Gross Sales / Income	1385.69	1612.76	1414.87	2998.45	2928.13	5682.28
1.	Income						
a.	Revenue from Contracts with Customers (Net of Discounts and Rebates)	1236.98	1456.82	1286.25	2693.80	2653.24	5138.86
b.	Other Operating Revenues	6.54	6.65	7.63	13.19	16.56	34.76
	Total Revenue from Operations	1243.52	1463.47	1293.88	2706.99	2669.80	5173.62
	Other Income	3.94	6.51	13.99	10.45	27.59	61.88
	Total Income	1247.46	1469.98	1307.87	2717.44	2697.39	5235.50
2.	Expenses						
a.	Cost of Materials Consumed	756.84	709.21	819.35	1466.05	1627.37	3241.77
b.	Purchase of Stock-in-Trade	63.50	68.49	57.86	131.99	119.87	258.74
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(54.22)	125.93	(42.85)	71.71	(63.80)	(197.98)
d.	Employee Benefits Expense	69.36	67.55	63.13	136.91	126.76	255.38
e.	Finance Costs	1.24	1.26	-	2.50	-	-
f.	Depreciation and Amortisation Expense	28.64	27.78	23.08	56.42	43.48	90.47
g.	Other Expenses	195.11	243.27	201.44	438.38	444.20	873.71
	Total Expenses	1060.47	1243.49	1122.01	2303.96	2297.88	4522.09
3.	Profit before Tax (1-2)	186.99	226.49	185.86	413.48	399.51	713.41
4.	Tax Expense						
a.	Current Tax	29.75	71.28	57.39	101.03	123.20	221.87
b.	Deferred Tax	(36.15)	7.31	6.48	(28.84)	14.48	24.19
	Total Tax Expense	(6.40)	78.59	63.87	72.19	137.68	246.06
5.	Profit for the Period (3-4)	193.39	147.90	121.99	341.29	261.83	467.35
6.	Other Comprehensive Income						
	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.58)	(0.58)	(0.58)	(1.16)	(1.16)	1.41
	(ii) Income tax on item that will not be reclassified to Statement of Profit and Loss	0.09	0.20	0.20	0.29	0.40	(0.49)
7.	Other Comprehensive Income (net of tax)	(0.49)	(0.38)	(0.38)	(0.87)	(0.76)	0.92
8.	Total Comprehensive Income (5+7)	192.90	147.52	121.61	340.42	261.07	468.27
9.	Paid up Equity Share Capital (Face value of ₹ 1 each)	53.89	53.89	53.89	53.89	53.89	53.89
10.	Other Equity						3370.58
11.	Earnings Per Equity Share (of ₹ 1 each) (not annualised)						
a.	Basic	3.59	2.74	2.26	6.33	4.86	8.67
b.	Diluted	3.59	2.74	2.26	6.33	4.86	8.67

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**MUMBAI**



## KANSAI NEROLAC PAINTS LIMITED

UNAUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2019

₹ in Crores

		As at	
		30.09.2019	31.03.2019
		(Unaudited)	(Audited)
<b>A</b>	<b>ASSETS</b>		
1.	<b>Non-current Assets</b>		
	Property, Plant and Equipment	1513.24	1312.19
	Capital Work-in-progress	184.78	314.69
	Right of Use Assets (ROU)	51.84	-
	Investment Property	0.18	0.18
	Other Intangible Assets	2.69	3.54
	Financial Assets:		
	Investments	138.08	108.93
	Loans	14.34	13.27
		1752.73	1630.60
	Current Tax Assets (Net)	112.20	155.68
	Other Non-current Assets	217.67	235.27
	<b>Total Non-current Assets</b>	<b>2235.02</b>	<b>2143.75</b>
2.	<b>Current Assets</b>		
	Inventories		928.92
	Financial Assets:		
	Investments	153.27	195.56
	Trade Receivables	866.89	674.02
	Cash and Cash Equivalents	64.23	78.88
	Bank Balances other than Cash and Cash Equivalents	2.50	2.49
	Loans	4.84	4.58
	Other Financial Assets	76.00	7.13
		1167.73	962.66
	Other Current assets	114.06	146.74
	<b>Total Current Assets</b>	<b>2210.71</b>	<b>2162.17</b>
	<b>Total Assets</b>	<b>4445.73</b>	<b>4305.92</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1.	<b>Equity</b>		
	Equity Share Capital	53.89	53.89
	Other Equity	3539.02	3370.58
	<b>Total Equity</b>	<b>3592.91</b>	<b>3424.47</b>
	<b>Liabilities</b>		
2.	<b>Non-current Liabilities</b>		
	Financial Liabilities:		
	Borrowings	-	3.40
	Lease Liabilities	47.04	-
	Deferred Tax Liabilities (Net)	74.32	105.10
	<b>Total Non-current Liabilities</b>	<b>121.36</b>	<b>108.50</b>
3.	<b>Current Liabilities</b>		
	Financial Liabilities:		
	Lease Liabilities	10.71	-
	Trade Payables:		
	Total Outstanding dues of Micro Enterprises and Small Enterprises	2.54	17.83
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	552.73	614.03
		555.27	631.86
	Other Financial Liabilities	96.77	103.50
		662.75	735.36
	Other Current Liabilities	29.15	19.87
	Provisions	17.67	14.41
	Current Tax Liabilities (Net)	21.89	3.31
	<b>Total Current Liabilities</b>	<b>731.46</b>	<b>772.95</b>
	<b>Total Liabilities</b>	<b>852.82</b>	<b>881.45</b>
	<b>Total Equity and Liabilities</b>	<b>4445.73</b>	<b>4305.92</b>



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**KANSAI NEROLAC PAINTS LIMITED**  
 UNAUDITED STANDALONE CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER, 2019

₹ in Crores

Particulars	Six months ended 30.09.2019 (Unaudited)	Six months ended 30.09.2018 (Unaudited)
<b>Cash Flow From Operating Activities</b>		
<b>Profit Before Tax</b>	<b>413.48</b>	<b>399.51</b>
Adjustments for:		
Depreciation and Amortisation Expenses	56.42	43.48
Fair Value Gain on Financial Instruments recognised through FVTPL	(3.84)	(3.56)
Unrealised Foreign Exchange (Gain)/Loss (Net)	(0.56)	0.20
Profit on Sale of Current Investments (Net)	(4.69)	(10.28)
Interest Income	(0.65)	(9.34)
Dividend Income	-	(0.02)
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(0.12)	-
Finance Cost	2.50	-
Provisions for Doubtful Debts and Bad Debts	1.55	3.29
	50.61	23.77
<b>Operating Profit Before Working Capital Changes</b>	<b>464.09</b>	<b>423.28</b>
(Increase) in Trade and Other Receivables	(236.55)	(241.31)
Decrease/(Increase) in Inventories	123.85	(126.40)
(Increase)/Decrease in Trade Payables, Other Financial Liabilities and Provisions	(59.25)	142.19
	(171.95)	(225.52)
<b>Cash Generated from Operations</b>	<b>292.14</b>	<b>197.76</b>
Direct Taxes Paid (Net of Refunds)	(38.97)	(113.42)
<b>Net Cash Flows generated from Operating Activities</b>	<b>253.17</b>	<b>84.34</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Other Intangible Assets (including Adjustments on Account of Capital Work-in-progress, Capital Creditors and Capital Advances)	(106.95)	(176.04)
Proceeds from Sale of Property, Plant and Equipment	0.14	-
Purchase of Investments in Subsidiaries	(29.11)	(82.85)
Purchase of non-current Investments	(0.13)	-
Purchase of Current Investments	(8,151.74)	(9,590.57)
Proceeds from Sale/Redemption of Current Investments	8,202.64	9,873.94
Interest Received	0.65	9.34
Dividend Received	-	0.02
Proceeds from/(Investment made in) Fixed Deposits	(0.04)	47.16
<b>Net Cash Flows (used in)/generated from Investing Activities</b>	<b>(84.54)</b>	<b>81.00</b>
<b>Cash Flows from Financing Activities</b>		
Repayment of long-term Borrowings	(6.31)	(8.62)
Payment of Lease Liabilities	(8.05)	-
Dividend Paid	(140.12)	(140.12)
Dividend Distribution Tax Paid	(28.80)	(28.80)
<b>Net Cash Flows (used in) Financing Activities</b>	<b>(183.28)</b>	<b>(177.54)</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(14.65)</b>	<b>(12.20)</b>
<b>Cash and Cash Equivalents at beginning of the period, the components being:</b>		
Cash on Hand	0.12	0.06
Cheques on hand	25.03	29.23
Balances with Banks	52.89	30.56
Effect of exchange rate fluctuation	0.84	0.66
	78.88	60.51
<b>Cash and Cash Equivalents at end of the period, the components being:</b>		
Cash on Hand	0.09	0.08
Cheques on hand	19.52	24.45
Balances with Banks	43.78	22.94
Effect of exchange rate fluctuation	0.84	0.84
	64.23	48.31
<b>Net (Decrease) as disclosed above</b>	<b>(14.65)</b>	<b>(12.20)</b>

Notes:

- (i) Figures in brackets are outflows/deductions.  
 (ii) 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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## Notes:

- 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 1 November 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.
- The Standalone 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.
- During the current quarter, the Company has commenced commercial production at its new manufacturing unit at Goindwal Sahib near Amritsar in Punjab
- The Company has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The full impact of this change has been recognised in tax expense for the quarter and six months ended 30th September, 2019. This has resulted in reversal of current tax and deferred tax expense of ₹ 15.59 Crores and ₹ 5.06 Crores respectively. accrued in quarter ended 30th June, 2019 and reversal of deferred tax expense of ₹ 34.43 Crores on account of remeasurement of deferred tax liability as at 31st March 2019.
- 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.
- Effective 1 April, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach, 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 and six months ended 30 September 2019. However, the impact on respective line items is set out below:

Particulars	₹ in Crores	
	Quarter ended 30.09.2019	Six Months ended 30.09.2019
Increase in Finance cost	1.24	2.50
Increase in Depreciation and Amortisation Expense	3.67	6.75
Decrease in Other Expenses	3.86	8.05
Decrease in Profit before tax	1.05	1.20
Decrease in Tax expenses	0.26	0.31
Decrease in Profit after tax	0.79	0.89

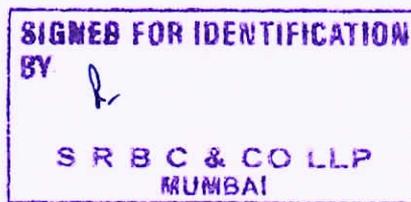
- Previous period figures have been regrouped / rearranged, wherever necessary, to correspond to current period's presentation.

For KANSAI NEROLAC PAINTS LIMITED.



H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
Date: 1 November 2019



**Independent Auditor's Review Report on the Quarterly and Year to Date 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 September 30, 2019 and year to date from April 01, 2019 to September 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, as amended (the "Listing Regulations"). Attention is drawn to the fact that Statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company'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. 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 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.
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 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 Listing Regulations, including



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Chartered Accountants

Kansai Nerolac Paints Limited

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the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The comparative financial information of the Company for the corresponding quarter and half year ended September 30, 2018, included in these unaudited standalone financial results, was reviewed by the predecessor auditor and the standalone Ind AS financial statements of the Company for the year ended March 31, 2019, were audited by predecessor auditor who expressed an unmodified conclusion / opinion on that financial information and those financial statements on October 22, 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 No.: 110759

UDIN: 19110759AAAAEP4623

Place: Mumbai

Date: November 01, 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 AND SIX MONTHS ENDED 30 SEPTEMBER 2019

Sr. No.	Particulars	For the quarter ended			For the six months ended		₹ in Crores
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	For the year ended
		(Unaudited)	(Unaudited)	(Unaudited) Refer Note 2	(Unaudited)	(Unaudited) Refer Note 2	31.03.2019 (Audited)
	Gross Sales / Income	1487.96	1707.20	1498.69	3195.16	3051.78	5984.72
1.	Income						
a.	Revenue from Contracts with Customers (Net of Discounts and Rebates)	1319.57	1533.30	1357.48	2852.87	2758.82	5388.47
b.	Other Operating Revenues	5.98	9.11	7.42	15.09	16.20	35.85
	Total Revenue from Operations	1325.55	1542.41	1364.90	2867.96	2775.02	5424.32
	Other Income	4.33	6.77	14.20	11.10	27.81	60.52
	Total Income	1329.88	1549.18	1379.10	2879.06	2802.83	5484.84
2.	Expenses						
a.	Cost of Materials Consumed	809.60	754.82	866.03	1564.42	1694.67	3404.80
b.	Purchase of Stock-in-Trade	63.93	70.03	57.86	133.96	119.87	258.74
c.	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(57.05)	127.77	(45.49)	70.72	(67.56)	(201.78)
d.	Employee Benefits Expense	79.27	77.34	70.85	156.61	138.08	283.41
e.	Finance Costs	4.83	4.63	2.56	9.46	3.36	9.97
f.	Depreciation and Amortisation Expense	33.84	33.02	27.39	66.86	49.76	106.28
g.	Other Expenses	210.92	258.75	219.78	469.67	470.73	926.63
	Total Expenses	1145.34	1326.36	1198.98	2471.70	2408.91	4788.05
3.	Profit before Tax (1-2)	184.54	222.82	180.12	407.36	393.92	696.79
4.	Tax Expense						
a.	Current Tax	31.27	72.52	58.98	103.79	125.53	225.54
b.	Deferred Tax	(36.65)	5.61	3.71	(31.04)	12.38	23.59
	Total Tax Expense	(5.38)	78.13	62.69	72.75	137.91	249.13
5.	Profit for the Period (3-4)	189.92	144.69	117.43	334.61	256.01	447.66
6.	Other Comprehensive Income						
a.	(i) Items that will not be reclassified to Statement of Profit and Loss	(0.67)	(0.58)	(0.58)	(1.25)	(1.16)	1.51
	(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss	0.11	0.20	0.20	0.31	0.40	(0.51)
b.	(i) Items that will be reclassified to Statement of Profit and Loss	4.48	(4.26)	(2.86)	0.22	(1.87)	(0.79)
	(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss	-	-	-	-	-	-
	Total Other Comprehensive Income	3.92	(4.64)	(3.24)	(0.72)	(2.63)	0.21
7.	Total Comprehensive Income (5+6)	193.84	140.05	114.19	333.89	253.38	447.87
8.	Profit for the period attributable to:						
	Owners of the Company	190.77	146.02	119.69	336.79	258.30	452.75
	Non-controlling interests	(0.85)	(1.33)	(2.26)	(2.18)	(2.29)	(5.09)
		189.92	144.69	117.43	334.61	256.01	447.66
9.	Other Comprehensive Income attributable to:						
	Owners of the Company	3.95	(4.64)	(3.24)	(0.69)	(2.63)	0.18
	Non-controlling interests	(0.03)	-	-	(0.03)	-	0.03
		3.92	(4.64)	(3.24)	(0.72)	(2.63)	0.21
10.	Total Comprehensive Income attributable to:						
	Owners of the Company	194.72	141.38	116.45	336.10	255.67	452.93
	Non-controlling interests	(0.88)	(1.33)	(2.26)	(2.21)	(2.29)	(5.06)
		193.84	140.05	114.19	333.89	253.38	447.87
11.	Paid up Equity Share Capital (Face value of ₹ 1 each)	53.89	53.89	53.89	53.89	53.89	53.89
12.	Other Equity						3362.44
13.	Earnings Per Equity Share (of ₹ 1 each) (not annualised)						
a.	Basic	3.54	2.71	2.22	6.25	4.79	8.40
b.	Diluted	3.54	2.71	2.22	6.25	4.79	8.40

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BY R  
SRBC & CO LLP  
MUMBAI



UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2019

₹ in Crores

		As at			
		30.09.2019		31.03.2019	
		(Unaudited)		(Audited)	
<b>A</b>	<b>ASSETS</b>				
	<b>1. Non-current Assets</b>				
	Property, Plant and Equipment	1614.07		1404.52	
	Capital Work-in-progress	188.20		316.35	
	Right of Use Assets (ROU)	51.84		-	
	Investment Property	0.18		0.18	
	Goodwill	19.78		19.58	
	Other Intangible Assets	49.63		40.79	
			1923.70		1781.42
	Financial Assets:				
	Investments	1.02		0.96	
	Loans	15.31		14.16	
			16.33		15.12
	Current Tax Assets (Net)		124.65		165.71
	Other Non-current Assets		217.67		235.29
	<b>Total Non-current Assets</b>		<b>2282.35</b>		<b>2197.54</b>
	<b>2. Current Assets</b>				
	Inventories		996.60		1111.06
	Financial Assets:				
	Investments	153.27		195.56	
	Trade Receivables	950.51		755.58	
	Cash and Cash Equivalents	80.62		93.37	
	Bank Balances other than Cash and Cash Equivalents	11.71		2.82	
	Loans	5.50		5.22	
	Other Financial Assets	76.00		5.30	
			1277.61		1057.85
	Other Current assets		122.01		151.44
	<b>Total Current Assets</b>		<b>2396.22</b>		<b>2320.35</b>
	<b>Total Assets</b>		<b>4678.57</b>		<b>4517.89</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>1. Equity</b>				
	Equity Share Capital	53.89		53.89	
	Other Equity	3526.07		3362.44	
			3579.96		3416.33
	Non-controlling Interest		17.88		20.09
	<b>Total Equity</b>		<b>3597.84</b>		<b>3436.42</b>
	<b>Liabilities</b>				
	<b>2. Non-current Liabilities</b>				
	Financial Liabilities:				
	Borrowings	0.71		4.35	
	Lease Liabilities	47.04		-	
	Provisions	0.05		0.02	
	Deferred Tax Liabilities (Net)	98.02		126.67	
	<b>Total Non-current Liabilities</b>		<b>145.82</b>		<b>131.04</b>
	<b>3. Current Liabilities</b>				
	Financial Liabilities:				
	Borrowings	125.90		96.51	
	Lease Liabilities	10.71		-	
	Trade Payables:				
	Total Outstanding dues of Micro Enterprises and Small Enterprises	2.54		17.83	
	Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	607.61		675.55	
		610.15		693.38	
	Other Financial Liabilities	97.94		104.61	
		844.70		894.50	
	Other Current Liabilities	46.24		34.87	
	Provisions	20.16		16.25	
	Current Tax Liabilities (Net)	23.81		4.81	
	<b>Total Current Liabilities</b>		<b>934.91</b>		<b>950.43</b>
	<b>Total Liabilities</b>		<b>1080.73</b>		<b>1081.47</b>
	<b>Total Equity and Liabilities</b>		<b>4678.57</b>		<b>4517.89</b>



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## KANSAI NEROLAC PAINTS LIMITED

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER, 2019

₹ in Crores

Particulars	Six months ended 30.09.2019 (Unaudited)	Six months ended 30.09.2018 (Unaudited)
<b>Cash Flow From Operating Activities</b>		
<b>Profit Before Tax</b>	<b>407.36</b>	<b>393.92</b>
Adjustments for:		
Depreciation and Amortisation Expenses	66.86	49.76
Fair Value Gain on Financial Instruments recognised through FVTPL	(3.84)	(3.56)
Unrealised Foreign Exchange (Gain)/Loss (Net)	(0.56)	0.20
Profit on Sale of Current Investments (Net)	(4.69)	(10.28)
Interest Income	(1.04)	(9.38)
Dividend Income	-	(0.02)
(Profit)/Loss on Sale of Property, Plant and Equipment (Net)	(0.06)	(0.02)
Finance Cost	9.46	3.36
Provisions for Doubtful Debts and Bad Debts	2.93	8.37
	69.06	38.43
<b>Operating Profit Before Working Capital Changes</b>	<b>476.42</b>	<b>432.35</b>
(Increase) in Trade and Other Receivables	(245.16)	(296.87)
Decrease/(Increase) in Inventories	114.46	(166.66)
(Increase)/Decrease in Trade Payables, Other Financial Liabilities and Provisions	(63.05)	116.46
	(193.75)	(347.07)
<b>Cash Generated from Operations</b>	<b>282.67</b>	<b>85.28</b>
Direct Taxes Paid (Net of Refunds)	(43.73)	(129.36)
<b>Net Cash Flows generated/(used in) from Operating Activities</b>	<b>238.94</b>	<b>(44.08)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Other Intangible Assets (including Adjustments on Account of Capital Work-in-progress, Capital Creditors and Capital Advances)	(102.85)	(123.32)
Proceeds from Sale of Property, Plant and Equipment	1.07	1.09
Purchase of Investments in Subsidiaries	(29.11)	(76.49)
Purchase of non-current Investments	(0.13)	-
Purchase of Current Investments	(8,151.74)	(9,590.57)
Proceeds from Sale/Redemption of Current Investments	8,202.64	9,873.94
Interest Received	1.04	9.38
Dividend Received	-	0.02
Proceeds from/(Investment made in) Fixed Deposits	(8.92)	46.96
<b>Net Cash Flows (used in)/generated from Investing Activities</b>	<b>(88.00)</b>	<b>141.01</b>
<b>Cash Flows from Financing Activities</b>		
Repayment of long-term Borrowings	(9.81)	(6.51)
Proceeds from Borrowings	6.58	76.94
Payment of Lease Liabilities	(8.05)	-
Finance Cost	(9.46)	(3.36)
Dividend Paid	(140.12)	(140.12)
Dividend Distribution Tax Paid	(28.80)	(28.80)
<b>Net Cash Flows (used in) Financing Activities</b>	<b>(189.66)</b>	<b>(101.85)</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(38.72)</b>	<b>(4.92)</b>
<b>Cash and Cash Equivalents at beginning of the period, the components being:</b>		
Cash on Hand	2.28	0.10
Cheques on hand	25.03	29.23
Balances with Banks	65.22	33.22
Bank Overdrafts and Cash Credit	(66.57)	-
Effect of exchange rate fluctuation	0.84	0.66
	26.80	63.21
<b>Cash and Cash Equivalents at end of the period, the components being:</b>		
Cash on Hand	3.46	2.14
Cheques on hand	19.52	24.45
Balances with Banks	56.80	30.86
Bank Overdrafts and Cash Credit	(92.54)	-
Effect of exchange rate fluctuation	0.84	0.84
	(11.92)	58.29
<b>Net (Decrease) as disclosed above</b>	<b>(38.72)</b>	<b>(4.92)</b>

Notes:

- (i) Figures in brackets are outflows/deductions  
(ii) 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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1. The above unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 1 November 2019. These consolidated results have been subjected to "limited review" by the statutory auditors of the Holding 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 and six months ended 30 September 2018 have been compiled by the Management and have not been subjected to review.
3. During the current quarter, the Holding Company has commenced commercial production at its new manufacturing unit at Goindwal Sahib near Amritsar in Punjab
4. The Holding Company has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. The full impact of this change has been recognised in tax expense for the quarter and six months ended 30th September, 2019. This has resulted in reversal of current tax and deferred tax expense of ₹ 15.59 Crores and ₹ 5.06 Crores respectively. accrued in quarter ended 30th June, 2019 and reversal of deferred tax expense of ₹ 34.43 Crores on account of remeasurement of deferred tax liability as at 31st March 2019.
5. 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.
6. Effective 1 April, 2019, the Holding Company has adopted Ind AS 116 "Leases" using modified retrospective approach, 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 and six months ended 30 September 2019. However, the impact on respective line items is set out below:

Particulars	₹ in Crores	
	Quarter ended 30.09.2019	Six Months ended 30.09.2019
Increase in Finance cost	1.24	2.50
Increase in Depreciation and Amortisation Expense	3.67	6.75
Decrease in Other Expenses	3.86	8.05
Decrease in Profit before tax	1.05	1.20
Decrease in Tax expenses	0.26	0.31
Decrease in Profit after tax	0.79	0.89

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: 1 November 2019



**Independent Auditor's Review Report on the Quarterly and Year to Date 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 "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), for the quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the consolidated figures for the corresponding quarter and half year ended September 30, 2018 and the consolidated statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company'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. 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 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 No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.



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Chartered Accountants

Kansai Nerolac Paints Limited

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

Holding 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 Constructions Aids Private Limited
  - vi) Nerofix Private Limited (w.e.f July 17, 2019)
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, 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 Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The accompanying Statement includes unaudited interim financial results and other unaudited financial information of 5 subsidiaries, whose interim financial results reflect total assets of Rs. 267.32 Crores as at September 30, 2019, and total revenues of Rs. 81.49 Crores and Rs. 164.83 Crores, total net loss after tax of Rs. 0.05 Crores and Rs. 1.07 Crores, total comprehensive loss of Rs. 1.43 Crores and Rs. 1.15 Crores, for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, and net cash outflows of Rs. 24.07 Crores for the period from April 01, 2019 to September 30, 2019, as considered in the Statement, which have been reviewed by their respective independent auditors. The independent auditor's review reports on interim financial results of these entities 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 such auditors and procedures performed by us as stated in paragraph 3 above.
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 Holding Company'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 Holding Company'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



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Chartered Accountants

Kansai Nerolac Paints Limited

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auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion on the Statement in respect of matters stated in para 6 and 7 above is not modified with respect to our reliance on the work done and the reports of the other auditors.

8. The consolidated Ind AS financial statements of the Group for the year ended March 31, 2019 included in these unaudited consolidated financial results were audited by predecessor auditor who expressed an unmodified opinion on those consolidated Ind AS 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 No.: 110759



UDIN: 19110759AAAAEQ2735

Place: Mumbai

Date: November 01, 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 AND SIX MONTHS ENDED 30 SEPTEMBER 2019

₹ in Crores

Particulars	Standalone						Consolidated						
	For the quarter ended			For the six months ended			For the year ended			For the six months ended			For the year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
Total Income from Operations	1243.52	1463.47	1293.88	2706.99	2669.80	5173.62	1325.55	1542.41	1364.90	2867.96	2775.02	5424.32	
Net Profit for the Period (before Tax and Exceptional items)	186.99	226.49	185.86	413.48	399.51	713.41	184.54	222.82	180.12	407.36	393.92	696.79	
Net Profit for the Period before tax (after Exceptional items)	186.99	226.49	185.86	413.48	399.51	713.41	184.54	222.82	180.12	407.36	393.92	696.79	
Net Profit for the Period after tax (after Exceptional items)	193.39	147.90	121.99	341.29	261.83	467.35	189.92	144.69	117.43	334.61	256.01	447.66	
Total Comprehensive Income for the Period	192.90	147.52	121.61	340.42	261.07	468.27	193.84	140.05	114.19	333.89	253.38	447.87	
Equity Share Capital	53.89	53.89	53.89	53.89	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	3.59	2.74	2.26	6.33	4.86	8.67	3.54	2.71	2.22	6.25	4.79	8.40	
Diluted	3.59	2.74	2.26	6.33	4.86	8.67	3.54	2.71	2.22	6.25	4.79	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 Unaudited 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 limited review on the financial results for the quarter and six months ended 30 September, 2019.



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA  
 VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
 Date: 1 November 2019



## Press Release

Press Release

Mumbai, November 1, 2019

### Kansai Nerolac Paints Ltd Announces Q2 Results FY 2019-2020

**Mumbai, November 1, 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 second quarter of financial year 2019-20. For the quarter, the company declared Net sale of Rs. 1237 Crores a de-growth of 3.8 % over the corresponding quarter of the previous year. For the half year ending September 30, 2019, the company declared a Net sale of Rs. 2693.8 Crores a growth of 1.5 % over the corresponding period of the previous year.

EBIDTA was at Rs. 212.9 crores a growth of 9.2 % over the same quarter of the previous year. Lower Tax has resulted in Net profit growth of 58.5 %. For the half year ending September 30, 2019, company reported an EBITDA of Rs. 462 Crores a growth of 11.2 % over the same period last year. Net profit growth was 30.4 %.

Commenting on the results, **Mr. H. M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Ltd** said, "Decorative segment has registered good volume and value growth in the given environment. This helped offset the continued and unprecedented slow-down in the automotive and other OEMs segments where the company has a significant exposure. The company's decorative sales were impacted due to factors like extended monsoon, floods in many key states and low off-take in Kashmir where KNP has a major presence. The company has been building traction in the niche business areas that the company is focusing on. Company was able to maintain growth in ARF, Protective Coating and Powder segments of the market. Our subsidiaries in Nepal and Bangladesh have done well.

During the quarter, input costs were stable and in line with the previous quarter trend. This along with judicious control on costs has helped improve the bottom-line. Exchange rate and crude oil prices continued to show volatility creating challenges in raw material cost management. Company commenced commercial operations at the Punjab plant. The company sees a slowdown in Decorative segment though it expects a revival once the unseasonal rains subside. Challenges of demand in Industrial are expected to continue 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)

