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B S R & Co.

(Registered)
Chartered Accountants

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Review report

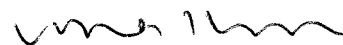
To the Board of Directors of Kansai Nerolac Paints Limited

We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Kansai Nerolac Paints Limited ('the Company') for the quarter ended 31 December 2011 and year to date results for the period 1 April 2011 to 31 December 2011 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co.**
Chartered Accountants
Firm Registration No: 101248W



Vijay Mathur
Partner

Membership No: 046476

Mumbai
30 January 2012

KANSAI NEROLAC PAINTS LIMITED
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER
ENDED 31ST DECEMBER 2011

(Rs. in Lacs)

		Particulars	Unaudited			Unaudited		Audited
			For the quarter ended			For the 9 months ended		Year ended on
			31/12/2011	30/09/2011	31/12/2010	31/12/2011	31/12/2010	31/03/2011
		Gross Sales / Income	77312	71579	65149	224631	188686	249319
1.	a.	Net Sales / Income from Operations (Net of Excise and Discounts)	66552	61564	56013	193282	161819	213873
	b.	Other Operating Income	17	41	25	97	210	260
		Total Income (a+b)	66569	61605	56038	193379	162029	214133
2.		Expenditure						
	a.	(Increase) / decrease in stock in trade and work in progress	1159	(2615)	1159	(1655)	(3133)	(6274)
	b.	Consumption of raw materials	41168	40644	34372	122779	103599	140046
	c.	Purchase of traded goods	2291	2154	1648	6442	4662	6253
	d.	Employees cost	2762	2681	2355	7978	6740	9164
	e.	Depreciation	1446	1358	1279	4005	3615	4936
	f.	Other expenditure	11129	9595	9629	31349	26800	35634
	g.	Total Expenditure (a to f)	59955	53817	50442	170898	142283	189759
3.		Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	6614	7788	5596	22481	19746	24374
4.		Other Income	747	293	433	1609	1418	2086
5.		Profit before Interest and Exceptional Items (3+4)	7361	8081	6029	24090	21164	26460
6.		Interest	20	20	24	65	75	84
7.		Profit after Interest but before Exceptional Items (5-6)	7341	8061	6005	24025	21089	26376
8.		Exceptional Item	-	-	-	-	-	2537
9.		Profit from Ordinary Activities before Tax (7+8)	7341	8061	6005	24025	21089	28913
10.		Tax expense						
	a.	Current Tax	1961	2201	1872	6450	6320	8504
	b.	Deferred Tax	112	149	(26)	473	57	(189)
		Total	2073	2350	1846	6923	6377	8315
11.		Net Profit from Ordinary Activities after tax (9-10)	5268	5711	4159	17102	14712	20598
12.		Extraordinary Items (net of tax expense)	-	-	-	-	-	-
13.		Net Profit for the period (11-12)	5268	5711	4159	17102	14712	20598
14.		Paid up Equity Share Capital (Face value of Rs.10 each)	5389	5389	5389	5389	5389	5389
15.		Reserves excluding revaluation reserves						86227
16.		Basic and diluted earnings per share (EPS) (Rs.) - Not annualised						
	a.	Basic and diluted EPS before extraordinary items	9.78	10.60	7.72	31.74	27.30	38.22
	b.	Basic and diluted EPS after extraordinary items	9.78	10.60	7.72	31.74	27.30	38.22
17.		Public Shareholding						
		- Number of Shares	16562212	16562212	16562212	16562212	16562212	16562212
		- Percentage of Shareholding	30.73	30.73	30.73	30.73	30.73	30.73
18.		Promoters and promoter group shareholding						
	a.	Pledged / Encumbered						
		- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
		- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b.	Non-encumbered						
		- Number of shares	37329760	37329760	37329760	37329760	37329760	37329760
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
		- Percentage of shares (as a % of the total share capital of the company)	69.27	69.27	69.27	69.27	69.27	69.27

Notes:

1. As the Company's business activity falls within a single segment viz. 'Paints' and the sales substantially being in the domestic market, the disclosure requirements of Accounting Standard-17 "Segment Reporting", notified under the Companies (Accounting Standards) Rules, 2006, are not applicable.
2. There were no investor complaints pending at the beginning and at the end of the quarter. One complaint was received during the quarter and was duly attended.
3. Figures of the previous period / year have been regrouped wherever necessary.
4. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 30th January, 2012. These results have been subjected to a "limited review" by the statutory auditors of the Company. An unqualified limited review report has been issued by them.

Place: Mumbai
Date : 30th January, 2012

FOR KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
MANAGING DIRECTOR

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