

14th August, 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.: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref.: Scip Codes: BSE - 500165, NSE - KANSAINER

Dear Sirs,

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 read with Circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/120 dated July 13, 2023, the following information is disclosed:

1. Pending 'material' litigations (as defined in the Regulations) in Annexure 1.
2. Guarantees / indemnity / surety given by the Company for any third party in Annexure 2.

Request you to take the same on record.

For **KANSAI NEROLAC PAINTS LIMITED**



G. T. GOVINDARAJAN
COMPANY SECRETARY

Pending ‘material’ litigations

Sr. No.	Particulars	Details
1	a) Brief details of litigation	Name of the opposing party : Deputy Commissioner of GST Name of the Authority : Deputy Commissioner of GST (Appeals) Brief details : A demand was raised during the financial year 2022-23 on account of discrepancy between Input Tax Credit (“ITC”) claimed by the Company in GSTR 3B and data appearing in GSTR 2A for FY 2017-18.
	b) Expected financial implications, if any, due to compensation, penalty etc.;	Rs. 78.30 Crores
	c) Quantum of claims, if any;	Rs. 78.30 Crores
	d) Management’s view on the outcome of the litigation / dispute	FY 2017-18 was the first year of implementation of GST, the data fetched in GSTR 2A on GST portal was not accurate and complete. The Company has relevant records to prove its claim for ITC.
2	a) Brief details of litigation	Name of the opposing party : Centralised Processing Centre, Income-tax Department ("CPC"). Name of the Authority : Commissioner of Income-tax (Appeals) ("CIT(A)"). Brief details : An intimation under Section 143(1) was received from CPC on account of alleged delay in filing Form 10IC for claiming concessional rate of tax under Section 115BAA for AY 2020-21.
	b) Expected financial implications, if any, due to compensation, penalty etc.;	Rs. 42.86 Crores
	c) Quantum of claims, if any;	Rs. 42.86 Crores
	d) Management’s view on the outcome of the litigation / dispute	The Company has provided the relevant records to the CIT(A) showing that Form 10IC was filed within the due date. The order of CIT(A) is awaited.



Annexure 1 (Contd.)

Sr. No.	Particulars	Details
3.	a) Brief details of litigation	Name of the opposing party : Centralised Processing Centre, Income-tax Department ("CPC"). Name of the Authority : National Faceless Assessment Centre ("NFAC"), Income-tax department. Brief details : An intimation under Section 143(1) was received from CPC on account of alleged inconsistency in disclosure of ICDS adjustments as per return of income and tax audit report for AY 2022-23.
	b) Expected financial implications, if any, due to compensation, penalty etc.;	Rs. 34.33 Crores
	c) Quantum of claims, if any;	Rs. 34.33 Crores
	d) Management's view on the outcome of the litigation / dispute	The Company has filed an application under Section 154 for rectification of mistake in the intimation under section 143(1) proving that there is no inconsistency between ICDS adjustments as per return of income and tax audit report.



Annexure 2

Guarantees / indemnity / surety given by the Company for any third party

No.	Particulars	Details
1	Name of party for which such guarantees or indemnity or surety was given;	Kansai Nerolac Paints (Bangladesh) Limited, Bangladesh
2.	Whether the promoter / promoter group / group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	No. Kansai Nerolac Paints (Bangladesh) Limited is a subsidiary of the Company.
3.	Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;	SBLC / Corporate Guarantee given to banks for loan taken by Kansai Nerolac Paints (Bangladesh) Limited, Bangladesh for an aggregate amount of BDT 111.98 Crores (INR Rs 83.77 Crores).
4.	Impact of such guarantees or indemnity or surety on listed entity.	Providing the SBLC / Corporate Guarantee is in overall interest of the Company as it will help the subsidiary in obtaining credit facilities at competitive terms. Further, the Company is charging a commission on an arm’s length basis.

