**KANSAI NEROLAC PAINTS LIMITED**

AUDITED FINANCIAL RESULTS FOR THE YEAR

ENDED 31ST MARCH 2011

(Rs. in Lacs)

| | | Particulars | Unaudited | | Audited | |
|---|---|---|---|---|---|---|
| | | | Quarter ended on | | Year ended on | |
| | | | 31.3.2011 | 31.3.2010 | 31.3.2011 | 31.3.2010 |
| | | Gross Sales / Income | 60633 | 48711 | 249319 | 197170 |
| 1. | a. | Net Sales / Income from Operations (Net of Excise and Discounts) | 52054 | 42377 | 213873 | 170638 |
| | b. | Other Operating Income | (95) | 36 | 115 | 103 |
| | | Total Income (a+b) | 51959 | 42413 | 213988 | 170741 |
| 2. | | Expenditure | | | | |
| | a. | (Increase) / decrease in stock in trade and work in progress | (3141) | (484) | (6274) | (4007) |
| | b. | Consumption of raw materials | 36447 | 26316 | 140046 | 106891 |
| | c. | Purchase of traded goods | 1591 | 1260 | 6253 | 4298 |
| | d. | Employees cost | 2424 | 1728 | 9164 | 7505 |
| | e. | Depreciation | 1321 | 1329 | 4936 | 4426 |
| | f. | Other expenditure | 8834 | 7704 | 35634 | 29582 |
| | g. | Total Expenditure (a to f) | 47476 | 37853 | 189759 | 148695 |
| 3. | | Profit from Operations before Other Income, Interest and Exceptional Items (1-2) | 4483 | 4560 | 24229 | 22046 |
| 4. | | Other Income | 813 | 367 | 2231 | 1935 |
| 5. | | Profit before Interest and Exceptional Items (3+4) | 5296 | 4927 | 26460 | 23981 |
| 6. | | Interest | 9 | 38 | 84 | 120 |
| 7. | | Profit after Interest but before Exceptional Items (5-6) | 5287 | 4889 | 26376 | 23861 |
| 8. | | Exceptional Item (Refer Note 3) | 2537 | - | 2537 | - |
| 9. | | Profit from Ordinary Activities before Tax (7+8) | 7824 | 4889 | 28913 | 23861 |
| 10. | | Tax expense | | | | |
| | a. | Current Tax | 2184 | 1528 | 8504 | 7489 |
| | b. | Deferred Tax | (246) | 54 | (189) | (93) |
| | c. | Short / (Excess) tax provision for earlier year | - | (85) | - | (85) |
| | | Total | 1938 | 1497 | 8315 | 7311 |
| 11. | | Net Profit from Ordinary Activities after tax (9-10) | 5886 | 3392 | 20598 | 16550 |
| 12. | | Extraordinary Items (net of tax expense) | - | - | - | - |
| 13. | | Net Profit for the period (11-12) | 5886 | 3392 | 20598 | 16550 |
| 14. | | Paid up Equity Share Capital (Face value of Rs.10 each) | 5389 | 2695 | 5389 | 2695 |
| 15. | | Reserves excluding revaluation reserves | | | 88287 | 74587 |
| 16. | | Basic and diluted earnings per share (EPS) (Rs.) - Not annualised | | | | |
| | a. | Basic and diluted EPS before extraordinary items | 10.92 | 6.29 | 38.22 | 30.71 |
| | b. | Basic and diluted EPS after extraordinary items | 10.92 | 6.29 | 38.22 | 30.71 |
| 17. | | Public Shareholding | | | | |
| | | - Number of Shares | 16562212 | 8281106 | 16562212 | 8281106 |
| | | - Percentage of Shareholding | 30.73 | 30.73 | 30.73 | 30.73 |
| 18. | | Promoters and promoter group shareholding | | | | |
| | a. | Pledged/Encumbered | | | | |
| | | - Number of shares | Nil | Nil | Nil | Nil |
| | | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | Nil | Nil | Nil | Nil |
| | | - Percentage of shares (as a % of the total share capital of the company) | Nil | Nil | Nil | Nil |
| | b. | Non-encumbered | | | | |
| | | - Number of shares | 37329760 | 18664880 | 37329760 | 18664880 |
| | | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 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 |

**KANSAI NEROLAC PAINTS LIMITED**

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH 2011

(Rs. in Lacs)

| | | Audited As at | |
|---|---|---|---|
| | | 31.3.2011 | 31.3.2010 |
| 1. | **Shareholders' Funds** | | |
| | (a) Share Capital | 5389 | 2695 |
| | (b) Reserves and Surplus | 86228 | 74587 |
| | | 91617 | 77282 |
| 2. | **Loan Funds** | 8248 | 10998 |
| | **Total** | 99865 | 88280 |
| 1. | **Fixed Assets** | 38178 | 30576 |
| 2. | **Investments** | 37182 | 40154 |
| 3. | **Deferred Tax Asset (Net)** | 1342 | 1152 |
| 4. | **Current Assets, Loans and Advances** | | |
| | (a) Inventories | 35410 | 24744 |
| | (b) Sundry Debtors | 26026 | 23237 |
| | (c) Cash and Bank balances | 3969 | 4108 |
| | (d) Loans and Advances | 5023 | 4109 |
| | | 70428 | 56198 |
| | **Less: Current Liabilities and Provisions** | | |
| | (a) Liabilities | 36354 | 30433 |
| | (b) Provisions | 10911 | 9367 |
| | | 47265 | 39800 |
| | Net Current Assets / (Liabilities) | 23163 | 16398 |
| | **Total** | 99865 | 88280 |

Notes:

1. Consequent to the receipt of the approval from the shareholders by postal ballot on 12th June, 2010, the company had approved the issue of Bonus Shares, in the ratio of 1:1, i.e, one additional new share for every share held. Accordingly the number of equity shares shown under 'Public Shareholding' has increased from 8281106 to 16562212 and 'Promoters and promoter group shareholding' has increased from 18664880 to 37329760. Further in accordance with Accounting Standard 20 'Earnings per Share' (EPS) prescribed by Rule 3 of the Companies (Accounting Standards) Rules, 2006 the EPS for the comparative periods has been recomputed taking into account the bonus issue.

2. 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 Act, 1956, are not applicable.

3. On 14th January, 2011, the Company has divested its entire stake in its associate company, Nipa Chemicals Limited, for a consideration of Rs. 2572.50 lacs.

4. 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.

5. The Directors have recommended a dividend of 100 % (Rs 10 per share) compared to 150% (Rs 15 per share) last year.

6. Figures of the previous period / year have been regrouped wherever necessary.

7. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 28th April 2011.

FOR KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
MANAGING DIRECTOR

Place: Mumbai
Date : 28th April, 2011

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