KANSAI NEROLAC PAINTS LIMITED

2nd May, 2012

Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E)
Mumbai – 400 051

Dear Sirs,

Re: Board Meeting of our Company held today: Stock code KANSAINER

Audited Financial Results for the year ended 31st March, 2012

The Directors of the Company have considered and approved the Audited Financial Results for the year ended 31st March, 2012 at their Meeting held today i.e. on 2nd May, 2012, (which meeting commenced at 3.00 p.m. and concluded at 5.20 p.m.)

We enclose a copy of the said results for your information.

We have already made the arrangements to publish the same in the newspapers in accordance with Clause 41 of the Listing Agreement.

Thanking you,

Yours Faithfully,

FOR **KANSAI NEROLAC PAINTS LIMITED**

G.T.GOVINDARAJAN
COMPANY SECRETARY

Encl: as above.

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B S R & Co.
(Registered)
Chartered Accountants

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Mumbai - 400 011
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Auditor's Report on the financial results of Kansai Nerolac Paints Limited pursuant to Clause 41 of Listing Agreement

To Board of Directors of

Kansai Nerolac Paints Limited

We have audited the accompanying annual financial results of Kansai Nerolac Paints Limited ('the Company') for the year ended 31 March 2012, attached herewith, being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement 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. Attention is drawn to the fact that the figures for the quarter ended 31 March 2012 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results up to the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial results which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these financial results:

(i) are presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and

(ii) give a true and fair view of the net profit and other financial information for the year ended 31 March 2012

B S R & Co.

Auditor's Report on the financial results of Kansai Nerolac Paints Limited pursuant to Clause 41 of Listing Agreement *(Continued)*

Kansai Nerolac Paints Limited

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

For **B S R & Co.**
Chartered Accountants
Firm Registration Number: 101248W

Vijay Mathur
Partner
Membership No: 046476

Mumbai
2 May 2012

KANSAI NEROLAC PAINTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PART I

Rs. in Million

		Particulars	For the quarter ended			For the year ended	
			31.03.12	31.12.11	31.03.11	31.03.12	31.03.11
			Audited	Unaudited	Audited	Audited	Audited
		Gross Sales / Income	7736	7731	6063	30199	24957
1.		Income from operations					
	a.	Net Sales / Income from operations (Net of excise and discounts)	6625	6623	5175	25859	21266
	b.	Other operating income	43	34	36	147	147
		Total Income from operations (net)	6668	6657	5211	26006	21413
2.		Expenses					
	a.	Cost of materials consumed	4715	4116	3658	16969	14019
	b.	Purchase of stock-in-trade	274	229	160	918	626
	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(316)	115	(314)	(482)	(627)
	d.	Employee benefits expense	271	276	242	1069	916
	e.	Depreciation and amortisation expense	163	145	132	564	494
	f.	Other expenses	994	1117	886	4159	3572
		Total expenses	6101	5998	4764	23197	19000
3.		Profit from operations before other income, finance costs and exceptional items (1-2)	567	659	447	2809	2413
4.		Other income	82	75	81	243	225
5.		Profit from ordinary activities before finance costs and exceptional items (3+4)	649	734	528	3052	2638
6.		Finance costs	-	-	-	1	1
7.		Profit from ordinary activities after finance costs but before exceptional items (5-6)	649	734	528	3051	2637
8.		Exceptional item	-	-	254	-	254
9.		Profit from ordinary activities before tax (7+8)	649	734	782	3051	2891
10.		Tax expense					
	a.	Current tax	215	196	218	860	850
	b.	Deferred tax	(15)	11	(25)	32	(19)
		Total tax expense	200	207	193	892	831
11.		Net Profit from ordinary activities after tax (9-10)	449	527	589	2159	2060
12.		Extraordinary items (net of tax expense)	-	-	-	-	-
13.		Net Profit for the period (11-12)	449	527	589	2159	2060
14.		Paid up Equity Share Capital (Face value of Rs.10 each)	539	539	539	539	539
15.		Reserves excluding Revaluation Reserves as per balance sheet				10093	8623
16.		Earnings per share (before extraordinary items) (of Rs. 10 each) (not annualised)					
	a.	Basic	8.33	9.78	10.92	40.06	38.22
	b.	Diluted	8.33	9.78	10.92	40.06	38.22
17.		Earnings per share (after extraordinary items) (of Rs. 10 each) (not annualised)					
	a.	Basic	8.33	9.78	10.92	40.06	38.22
	b.	Diluted	8.33	9.78	10.92	40.06	38.22

KANSAI NEROLAC PAINTS LIMITED

PART II

		Particulars	For the quarter ended			For the year ended	
			31.03.12	31.12.11	31.03.12	31.03.12	31.03.11
A		PARTICULARS OF SHAREHOLDING					
1.		Public Shareholding					
		- Number of Shares	16562212	16562212	16562212	16562212	16562212
		- Percentage of Shareholding	30.73	30.73	30.73	30.73	30.73
2.		Promoters and promoter group shareholding					
	a.	Pledged / Encumbered					
		- Number of shares	Nil	Nil	Nil	Nil	Nil
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
		- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil
	b.	Non-encumbered					
		- Number of shares	37329760	37329760	37329760	37329760	37329760
		- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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

	Particulars	Quarter ended
		31.03.12
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	2
	Disposed of during the quarter	2
	Remaining unresolved at the end of the quarter	Nil

KANSAI NEROLAC PAINTS LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2012

Rs. In Million

	Particulars	As at 31.03.2012	As at 31.03.2011
A	**Equity and Liabilities**		
1	**Shareholders' Funds**		
	(a) Share Capital	539	539
	(b) Reserves and Surplus	10093	8623
	Sub-total - Shareholders' funds	10632	9162
2	**Non-current Liabilities**		
	(a) Long-term Borrowings	690	750
	(b) Long-term Provisions	432	428
	Sub-total - Non-current liabilities	1122	1178
3	**Current Liabilities**		
	(a) Trade Payables	3542	3204
	(b) Other Current Liabilities	953	547
	(c) Short-term Provisions	732	663
	Sub-total - Current liabilities	5227	4414
	Total - Equity and Liabilities	16981	14754
	Assets		
1	**Non-current Assets**		
	(a) Fixed Assets	5578	3534
	(b) Non-current Investments	439	727
	(c) Deferred Tax Assets (Net)	102	134
	(d) Long-term Loans and Advances	437	535
	Sub-total - Non-current assets	6556	4930
2	**Current Assets**		
	(a) Current Investments	1396	2991
	(b) Inventories	4537	3541
	(c) Trade Receivables	3588	2603
	(d) Cash and Cash Equivalent	592	396
	(e) Short-term Loans and Advances	128	122
	(f) Other Current Assets	184	171
	Sub-total - Current assets	10425	9824
	Total - Assets	16981	14754

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. The above results for the quarter and year ended 31st March, 2012 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 2nd May, 2012.
3. The figures for the quarter ended 31st March, 2012 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
4. The Directors have recommended a dividend of 110% (Rs. 11 per share) compared to 100% (Rs.10 per share) last year.
5. The financial statements for the year ended 31st March, 2012 have been prepared as per the revised Schedule VI to the Companies Act, 1956. Accordingly, the previous year's figures have also been reclassified to conform to this year's classification.

For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
MANAGING DIRECTOR

Place: Mumbai
Date: 2nd May, 2012