covering letter + 5 pages

KANSAI NEROLAC PAINTS LIMITED

8th May, 2015

1. The Secretary
The BSE
Phiroze Jeejeebhoy Towers
Dalal Street,Mumbai – 400 001

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

BSE Scrip Code: 500165

NSE Scrip Code: KANSAINER

Dear Sirs,

Re: Board Meeting of our Company held today.

Audited Annual Financial Results for the year ended 31st March, 2015.

The Directors of the Company have considered and approved the Audited Annual Financial Results for the year ended 31st March, 2015 at their Meeting held today i.e. on 8th May, 2015, (which meeting commenced at 4.30 p.m. and concluded at 6.30 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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Lower Parel, Mumbai - 400013 India

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Chartered Accountants

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Apollo Mills Compound
N. M. Joshi Marg, Mahalakshmi
Mumbai - 400 011
India

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Independent Auditor's Report on the financial results of Kansai Nerolac Paints Limited pursuant to Clause 41 of Listing Agreement

To the 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 31March 2015, attached herewith, being submitted by the Company pursuant to the requirements of Clause 41of 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 2015 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 upto 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.

Management's Responsibility for the Financial Results

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter. Directorsare responsible for the preparation of these financial results that give a true and fair view of the net profit and other financial information in accordance with the recognition and measurement principles laid down under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements. 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 statements are free of material misstatement(s).

An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

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

Kansai Nerolac Paints Limited

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 2015

Report on other Legal and Regulatory Requirements

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. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
8 May 2015

KANSAI NEROLAC PAINTS LIMITED

STATEMENT OF AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2015

PART I

Rs. in Crores

		Particulars	Standalone					Consolidated	
			For the quarter ended			For the year ended		For the year ended	
			31.03.2015 (Audited)	31.12.2014 (Unaudited)	31.03.2014 (Audited)	31.03.2015 (Audited)	31.03.2014 (Audited)	31.03.2015 (Audited)	31.03.2014 (Audited)
		Gross sales / Income	961.32	1057.51	886.57	4211.64	3739.02	4251.62	3769.05
1.		Income from operations							
	a.	Net sales / Income from operations (Net of excise and discounts)	804.90	887.22	747.22	3532.41	3145.77	3570.70	3175.27
	b.	Other operating income	2.94	3.05	2.96	16.65	18.25	16.28	18.01
		Total Income from operations (net)	807.84	890.27	750.18	3549.06	3164.02	3586.98	3193.28
2.		Expenses							
	a.	Cost of materials consumed	474.51	535.40	542.12	2145.76	2085.11	2166.14	2099.83
	b.	Purchase of stock-in-trade	40.82	37.93	36.66	156.65	129.53	155.90	129.53
	c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	18.37	19.90	(65.18)	62.03	(80.69)	62.58	(80.42)
	d.	Employee benefits expense	36.80	37.60	33.39	143.30	135.88	146.24	138.28
	e.	Depreciation and amortisation expense	16.75	17.10	16.99	67.69	64.98	68.26	65.52
	f.	Other expenses	138.15	151.20	121.40	596.50	532.10	604.97	538.71
		Total expenses	725.40	799.13	685.38	3171.93	2866.91	3204.09	2891.45
3.		Profit from operations before other income, finance costs and exceptional items (1-2)	82.44	91.14	64.80	377.13	297.11	382.89	301.83
4.		Other income	5.82	3.81	2.45	21.79	10.33	21.53	9.79
5.		Profit from ordinary activities before finance costs and exceptional items (3+4)	88.26	94.95	67.25	398.92	307.44	404.42	311.62
6.		Finance costs	0.01	-	0.02	0.02	0.45	0.92	1.79
7.		Profit from ordinary activities after finance costs but before exceptional items (5-6)	88.25	94.95	67.23	398.90	306.99	403.50	309.83
8.		Exceptional item	-	-	-	-	-	-	-
9.		Profit from ordinary activities before tax (7+8)	88.25	94.95	67.23	398.90	306.99	403.50	309.83
10.		Tax expense							
	a.	Current tax	26.76	27.11	18.20	116.73	77.64	117.83	78.29
	b.	Deferred tax	1.12	2.18	4.18	10.50	22.78	10.48	22.88
		Total tax expense	27.88	29.29	22.38	127.23	100.42	128.31	101.17
11.		Net Profit from ordinary activities after tax (9-10)	60.37	65.66	44.85	271.67	206.57	275.19	208.66
12.		Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
13.		Net Profit for the period (11-12)	60.37	65.66	44.85	271.67	206.57	275.19	208.66
14.		Minority Interest	-	-	-	-	-	1.13	0.70
15.		Net Profit after Minority Interest (13-14)	60.37	65.66	44.85	271.67	206.57	274.06	207.96
16.		Paid up Equity Share Capital (Face value of Re1 each)	53.89	53.89	53.89	53.89	53.89	53.89	53.89
17.		Reserves excluding Revaluation Reserves as per balance sheet				1542.93	1369.30	1547.58	1371.78
18.		Earnings per share (of Re 1 each) (not annualised)							
	a.	Basic	1.12	1.22	0.83	5.04	3.83	5.08	3.86
	b.	Diluted	1.12	1.22	0.83	5.04	3.83	5.08	3.86



KANSAI NEROLAC PAINTS LIMITED

PART II

Select Information for the Quarter and Year Ended 31 March, 2015

			For the quarter ended			For the year ended	
			31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
			(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
A		PARTICULARS OF SHAREHOLDING					
1.		Public Shareholding					
		- Number of Shares	165622120	16562212	16562212	165622120	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	373297600	37329760	37329760	373297600	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
		31.03.2015
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	1
	Received during the quarter	Nil
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	Nil

KANSAI NEROLAC PAINTS LIMITED
STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2015

Rs. in Crores

		Particulars	Standalone (Audited)		Consolidated (Audited)	
			As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
A		Equity and Liabilities				
	1.	Shareholders' Funds				
		(a) Share capital	53.89	53.89	53.89	53.89
		(b) Reserves and Surplus	1542.93	1369.30	1547.58	1371.78
		Sub-total - Shareholders' funds	1596.82	1423.19	1601.47	1425.67
	2.	Minority Interest			4.95	3.82
	3.	Non-current liabilities				
		(a) Long-term borrowings	41.50	51.71	45.80	57.10
		(b) Deferred Tax Liabitities (Net)	75.15	65.84	75.43	66.15
		(c) Long-term provisions	25.49	28.79	25.49	28.79
		Sub-total - Non-current liabilities	142.14	146.34	146.72	152.04
	4.	Current liabilities				
		(a) Short-term borrowing	-	-	4.50	4.75
		(b) Trade payables	327.17	440.74	331.24	442.67
		(c) Other current liabilities	180.63	166.33	187.01	171.43
		(d) Short-term provisions	96.60	78.51	97.09	79.15
		Sub-total - Current liabilities	604.40	685.58	619.84	698.00
		TOTAL - EQUITY AND LIABILITIES	2343.36	2255.11	2372.98	2279.53
B		ASSETS				
	1.	Non-current assets				
		(a) Fixed assets	948.94	957.73	958.07	967.49
		(b) Goodwill			2.27	2.27
		(c) Non-current investments	33.10	33.10	25.23	25.23
		(d) Long-term loans and advances	66.74	40.14	60.36	33.76
		Sub-total - Non-current assets	1048.78	1030.97	1045.93	1028.75
	2.	Current assets				
		(a) Current investments	182.48	23.37	182.48	23.37
		(b) Inventories	541.67	645.66	555.14	658.33
		(c) Trade receivables	496.34	454.83	515.30	468.26
		(d) Cash and cash equivalents	34.05	54.88	34.45	55.27
		(e) Short-term loans and advances	19.97	26.93	20.63	27.52
		(f) Other current assets	20.07	18.47	19.05	18.03
		Sub-total - Current assets	1294.58	1224.14	1327.05	1250.78
		TOTAL - ASSETS	2343.36	2255.11	2372.98	2279.53

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 8 May, 2015. The statutory auditors have expressed an unqualified opinion. The audit report has been filed with the stock exchange and is available on the company's website.
2. Figures for the quarter ended 31 March, 2015 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.
3. 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.
4. During the year, the Company has sub-divided each Equity Share of face value of Rs. 10 each to 10 (ten) Equity Shares of Re 1 each. The Effective date for the said sub-division was 27 March, 2015.
5. Schedule II of the Companies Act, 2013, which prescribes useful lives of the fixed assets, was effective from 1 April, 2014. Consequently, based on the internal technical evaluation, the Company has reassessed the useful lives of its fixed assets. For certain classes of assets the useful lives are as prescribed in Schedule II and for other classes of assets, the useful lives are different from those prescribed in Schedule II. Consequent to the reduction in the useful lives, based on transitional provision given in Schedule II, Rs. 3.49 crores (deferred tax impact Rs. 1.19 crores) has been adjusted against Opening Balance in Statement of Profit and Loss. Had the Company continued with previously assessed useful lives, depreciation charge for the year would have been higher by Rs. 2.84 crores for the assets held at 1 April, 2014.
6. The Company has spent Rs. 4.51 crores towards Corporate Social Responsibility Activity under Section 135 of the Companies Act, 2013. In accordance with the 'FAQ on Provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 and Rules thereon', issued by the Institute of the Chartered Accountants of India, this amount has been recorded and disclosed as an appropriation of profit in the financial statements for the year ended 31 March, 2015.
7. The Directors have recommended a dividend of 140% (Rs 1.40 per share) compared to 110% (Rs. 11 per share) last year.

For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA
MANAGING DIRECTOR

Place: Mumbai
Date: 8 May, 2015