

10th May, 2010

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

Scrip Code: KANSAINER

Dear Sirs,

Re: Passing of resolutions by postal ballot

This is to inform you that pursuant to section 192 A (2) of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the following Resolutions are proposed to be passed by Postal Ballot as set out in the Notice dated May 7, 2010:

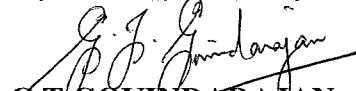
- 1) Ordinary Resolution for increase of Authorised Share Capital from Rs.30 crores to Rs.60 crores and alteration in the Memorandum of Association;
- 2) Special Resolution for alteration of the Articles of Association to increase Authorised capital from Rs.30 crores to Rs.60 crores;
- 3) Ordinary resolution for issue of Bonus Shares to equity shareholders in the proportion of 1:1.

The Company has appointed Mrs. Ragini Chokshi of Ragini Chokshi & Co., Practising Company Secretary as Scrutinizer. Duly completed postal ballot forms should reach the Scrutinizer before the close of working hours on Friday, June 11, 2010. The results of the voting by Postal Ballot will be announced on Saturday, June 12, 2010.

Thanking you,

Yours faithfully,

FOR KANSAI NEROLAC PAINTS LIMITED



G.T. GOVINDARAJAN
COMPANY SECRETARY

Encl: Notice of Postal Ballot and the Postal Ballot form

 KANSAI NEROLAC PAINTS LIMITED

Registered Office : 'Nerolac House', Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.

NOTICE

Dear Shareholder,

Notice pursuant to Section 192A(2) of the Companies Act, 1956

Notice is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, that the resolutions appended below for the purpose of increasing the Authorised Share Capital of the Company by the creation of additional Equity Shares, alteration of the Memorandum of Association of the Company, alteration of the Articles of Association of the Company and issue of Bonus Shares on the terms and conditions set out in Resolution No. 3, are proposed to be passed as Ordinary / Special Resolutions as the case may be, by way of Postal Ballot.

The Company seeks the shareholders' consent for the proposals contained in the resolutions appended below. The Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons therefor is annexed. The said Ordinary / Special Resolutions and the Explanatory Statement are being sent to you along with a Postal Ballot Form (the "Form") for your consideration. The Company has appointed Mrs. Ragini Chokshi of Ragini Chokshi & Co., Practising Company Secretary as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Form and return the same duly completed, in the attached self addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours on Friday, June 11, 2010. Upon completion of the scrutiny of the Forms, the Scrutinizer will submit her report to the Chairman of the Company. The results of the Postal Ballot will be announced on Saturday, June 12, 2010 at 5.00 p.m. at the Registered Office of the Company.

The Shareholders are requested to consider and, if thought fit, to pass the following resolutions.

Item No. 1**Increase in the Authorised Share Capital and Alteration of the Memorandum of Association of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Authorised Share Capital of Rs.30,00,00,000 (Rupees Thirty Crores) divided into 3,00,00,000 (Three Crore) Equity Shares of Rs.10 (Rupees Ten) each be increased to Rs.60,00,00,000 (Rupees Sixty Crores) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10 (Rupees Ten) each by creation of 3,00,00,000 (Three Crore) Equity Shares of Rs.10 (Rupees Ten) each and that Clause V of the Memorandum of Association of the Company be altered accordingly by substituting the following new Clause V in place of the existing Clause V:

'V. The Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10 (Rupees Ten) each with power for the Company to increase or reduce the said capital, and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege, or subject to any postponement of rights, or to any conditions or restrictions; and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained.'

Item No. 2**Alteration of the Articles of Association of the Company**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered by substituting the following new Article in place of the existing Article 3 thereof:

'3. The Authorised Share Capital of the Company is Rs. 60,00,00,000 (Rupees Sixty Crores) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs.10 (Rupees Ten) each.'

Item No. 3

Issue of Bonus Shares

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT:

- (a) Pursuant to Article 178 of the Articles of Association of the Company and subject to such consents and approvals as may be required and subject to compliance of the relevant guidelines issued by the Securities and Exchange Board of India and the regulations made by the Reserve Bank of India, where applicable, and the conditions and modifications, if any, as may be prescribed and agreed to by the Board of Directors of the Company, a sum of Rs. 26,94,59,860 of the amount standing to the credit of the Share Premium Account be and is hereby capitalised and transferred from the said Account to Share Capital and be applied for allotment of New Equity Shares of Rs. 10 each as Bonus Shares to the persons ('Equity Shareholders') who, on a date to be hereafter fixed by the Directors, ('the Record Date'), shall be the holders of the existing Shares of Rs. 10 each of the Company, whose names appear in the Register of Members of the Company, in payment in full of 2,69,45,986 New Equity Shares of Rs. 10 each and that such New Equity Shares out of the Company's unissued Equity Shares, credited as fully paid, be accordingly allotted as Bonus Shares to the Equity Shareholders respectively as aforesaid in the proportion of one New Equity Share for every one existing Equity Share held by the Equity Shareholders respectively on the Record Date, upon the footing that they become entitled thereto for all purposes as capital and not as income;
- (b) the said New Equity Shares of Rs. 10 each, when issued and allotted, shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing Equity Shares of the Company save and except that they shall not rank for Dividend declared or to be declared for or in respect of any financial year prior to the financial year in which the New Equity Shares are allotted;
- (c) no Letter of Allotment shall be issued to the allottees of the Bonus Shares and the Share Certificates in respect of the New Equity Shares shall be issued and dispatched to the allottees thereof within the period or period of that may be prescribed in this behalf, from time to time, except that the Bonus Shares will be credited to the demat accounts of the allottees who are holding the existing equity shares in electronic form;
- (d) for the purpose of giving effect to this Resolution, and for the removal of any difficulties, the Board of Directors of the Company be and is hereby authorised to (i) do all acts, deeds and things and to give such directions as may be necessary or desirable and to settle any question or difficulty whatsoever that may arise with regard to the issue, allotment and distribution of the said New Equity Shares and (ii) accept on behalf of the Company alterations or modifications if any, relating to the issue of the New Equity Shares that may be required by other authorities as the Board in its discretion thinks fit and proper".

For and on behalf of the Board

J.J. IRANI
Chairman

Registered Office:
Nerolac House,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013.

Dated: May 7, 2010

Note: Only a Shareholder who is entitled to vote is entitled to exercise his/her vote through Postal Ballot.

P.T.O.

Explanatory Statement for Resolutions mentioned under Items No. 1, 2 and 3 pursuant to Section 173(2) of the Companies Act, 1956.

As at 31st March, 2010, the Issued, Subscribed and Paid up Share Capital of the Company stood at Rs. 2694.60 lacs and the Reserves and Surplus on that date, was Rs. 74587.10 lacs. In order to bring the Paid-up Capital of the Company more in line with the Capital employed in the business, the Board of Directors has proposed to issue Bonus shares to the Equity Shareholders of the Company in the proportion of one New Equity Share for every one existing Equity Share. For this purpose it is proposed to capitalise a sum of Rs. 26,94,59,860 which will be drawn from the Share Premium Account as mentioned in the Resolution.

The terms and conditions of the proposed issue are set out in the text of the Ordinary Resolution at Item No. 3 of the Notice and are subject to such approvals as may be necessary.

The proposed issue of Bonus shares complies with the guidelines issued by the Securities and Exchange Board of India and the regulations made by the Reserve Bank of India, where applicable, in that behalf and presently in force.

As per Article 4 of the Articles of Association of the Company, it is necessary for the Shareholders to approve the increase of capital by the creation of new shares.

It is also necessary to authorize the Board of Directors of the Company to complete all the regulatory formalities in connection with the issue of Bonus Shares that may be prescribed by SEBI, the Stock Exchanges on which the Company's shares are listed and / or any other regulatory authority.

In order to facilitate the capitalisation of reserves as set out in the Resolution at Item No. 3 of the Notice, the Authorised Share Capital of the Company is being increased from Rs.30,00,00,000 (Rupees Thirty Crores) divided into 3,00,00,000 (Three Crore) Equity shares of Rs. 10 (Rupees Ten) each to Rs.60,00,00,000 (Rupees Sixty Crores) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 10 (Rupees Ten) each as indicated in the Resolution at Item No. 1 of the Notice. Consequently, Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company are proposed to be altered.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Shareholders of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day except Saturday.

The Resolutions at Items No. 1 to 3 seek the approval of the Shareholders to increase the Authorized Share Capital, alter the Memorandum and Articles of Association and issue Bonus Shares on the terms and conditions set out in Resolution at Item No. 3. The Board recommends the Resolutions set forth in Items No. 1 to 3 above for approval of the Shareholders.

None of the Directors of the Company are deemed to be concerned or interested in Resolution Nos. 1 and 2. The Directors of the Company may be deemed to be concerned or interested in Resolution No. 3 relating to the issue of the Bonus Shares to the extent of their shareholdings in the Company, or to the extent of the shareholdings of the companies/ institutions/ trusts of which they are directors, employees, members or trustees without any beneficial interest.

For and on behalf of the Board

J.J. IRANI
Chairman

Registered Office:
Nerolac House,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai 400 013.

Dated: May 7, 2010



KANSAI NEROLAC PAINTS LIMITED

Registered Office : 'Nerolac House', Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.

POSTAL BALLOT FORM

POSTAL BALLOT NO.

(1) Name(s) of the Shareholder(s)
(including Jointholders, if any) :

(2) Registered address of the Sole /
first named Shareholder :

(3) Registered Folio No. /
DP ID No. / Client ID No.* :
(*applicable to investors holding
shares in dematerialised form)



(4) No. of Shares held :

(5) I/We hereby exercise my/our vote(s) in respect of the Ordinary/Special Resolutions to be passed through Postal ballot for the business stated in the Notice of the Company dated May 7, 2010 by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box(es) below:

Sr. No.	Description	No. of Shares	(FOR)	(AGAINST)
			I/We assent to the Resolution	I/We dissent to the Resolution
1	Ordinary Resolution for increase in the Authorised Share Capital and alteration of the Memorandum of Association of the Company.			
2	Special Resolution for alteration of the Articles of Association of the Company.			
3	Ordinary Resolution for Issue of Bonus shares in the ratio of 1:1			

Place :

Date :

(Signature of the Shareholder)

NOTE: PLEASE READ THE INSTRUCTIONS OVERLEAF

INSTRUCTIONS

1. A Shareholder desiring to exercise his/her vote by Postal Ballot may complete this Postal Ballot Form (no other form or photocopy thereof is permitted to be used for the purpose) and send it to the Scrutinizer at the address of the Company in the attached self-addressed envelope. Postage will be borne and paid for by the Company. Envelopes containing Postal Ballots, if deposited with the Company in person or if sent by courier at the expense of the Shareholders, shall also be accepted.
2. The self-addressed envelope bears the name of the Scrutinizer appointed by the Company to conduct the Postal Ballot process.
3. This Form should be completed and signed by the Shareholder. In case of joint shareholding, this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named Shareholder and in his/her absence, by the next named Shareholder. A Shareholder may sign the Form through an Attorney, in which case a copy of the Power of Attorney should be attached to the Postal Ballot Form.
4. There will be only one Postal Ballot Form for every folio irrespective of the number of Joint Shareholders.
5. Unsigned or incorrect Postal Ballot Forms will be rejected.
6. A Shareholder need not use all the votes nor needs to cast all the votes in the same way.
7. The votes in a Postal Ballot cannot be exercised by a Proxy
8. Duly completed Postal Ballot Forms should reach the Company not later than the close of working hours on Friday, June 11, 2010. Postal Ballot forms received after this date will be strictly treated as if the reply from such Shareholders has not been received.
9. In the case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/Authorisation.
10. The voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Shareholder(s) on the date of the Notice annexed herewith, i.e. May 7, 2010.
11. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope, as such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
12. The Scrutinizer's decision on the validity of a Postal Ballot will be final.