

1 of 8

2nd May, 2017

1. Corporate Relationship Department  
**BSE Limited,**  
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 ( Standalone and Consolidated ) for the year ended 31st March, 2017.**

The Board of Directors of the Company has considered and approved the Audited Annual Financial Results (Standalone and Consolidated) for the year ended 31st March, 2017 at its Meeting held today i.e. on 2nd May, 2017, (which meeting commenced at 9.30 a.m. and concluded at 12.45 p.m).

We enclose a copy of the said Results along with the Auditors' Report on the Standalone and Consolidated financial results.

We have already made the arrangements to publish the same in the newspapers in accordance with Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.


**Declaration on Audit Report with unmodified opinion**

We declare that the Auditors' report on Standalone and Consolidated annual financial results for the year ended 31st March, 2017, is with unmodified opinion.

Thanking you,

Yours Faithfully,

For **KANSAI NEROLAC PAINTS LIMITED**

  
**G.T.GOVINDARAJAN**  
**COMPANY SECRETARY**

Encl: as above.

NEROLAC HOUSE  
Ganpatrao Kadam Marg,  
Lower Parel, Mumbai - 400013 India

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+91.22.2499 2500  
Fax: +91.22.2497 3704

CIN No.: L24202MH1920PLCO00825

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**Independent Auditors' Report on Quarterly standalone financial results and year to date results of Kansai Nerolac Paints Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of  
Kansai Nerolac Paints Limited**

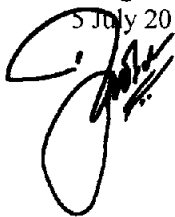
We have audited the accompanying standalone financial results of Kansai Nerolac Paints Limited ('the Company') for the quarter ended 31 March 2017 and year to date results for the period from 1 April 2016 to 31 March 2017 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 March 2017 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the end of third quarter of the current and previous financial year respectively. Also the figures up to the end of third quarter for the current and previous financial year had only been reviewed and not subjected to audit. This statement is responsibility of the Company's management and has been approved by the Board of Directors in their meeting held on 2 May 2017.

These quarterly standalone financial results as well the year to date standalone financial results have been prepared on the basis of the reviewed standalone financial results upto the end of third quarter and audited annual standalone Ind AS financial statements respectively, 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 such standalone Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

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 standalone financial results are free of material misstatements. An audit includes examining on test check basis, evidence supporting the amounts disclosed as standalone financial results. An audit also includes assessing the accompanying principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these quarterly results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and



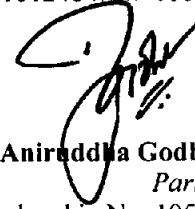
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**Independent Auditors' Report on Quarterly standalone financial results and year to date results of Kansai Nerolac Paints Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Kansai Nerolac Paints Limited**

- (ii) give a true and fair view of the financial performance, including other comprehensive income and other financial information, for the quarter ended 31 March 2017 as well as for the year to date results for the period from 1 April 2016 to 31 March 2017.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022



**Aniruddha Godbole**  
*Partner*  
Membership No: 105149

Mumbai  
2 May 2017

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

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**Independent Auditors' Report on consolidated year to date results of Kansai Nerolac Paints Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To the Board of Directors of  
Kansai Nerolac Paints Limited

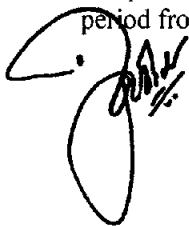
We have audited the accompanying consolidated financial results of Kansai Nerolac Paints Limited ('hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the year to date results for the period from 1 April 2016 to 31 March 2017 ('the Statement'), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Holding Company's management and has been approved by the Board of Directors in their meeting on 2 May 2017.

These year to date consolidated financial results have been prepared on the basis of the audited annual consolidated Ind AS financial statements, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated Ind AS financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

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 consolidated financial results are free of material misstatements. An audit includes examining on test check basis, evidence supporting the amounts disclosed as consolidated financial results. An audit also includes assessing the accompanying principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Based on our audit conducted as above, in our opinion and to the best of our information and according to the explanations given to us, these consolidated year to date results:

- (i) include the financial results of KNP Japan Private Limited (*formerly known as Kansai Paints Nepal Private Limited*) and Kansai Paints Lanka (Private) Limited for the year ended 31 March 2017;
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- (iii) give a true and fair view of the consolidated financial performance, including other comprehensive income and other financial information, for the year to date results for the period from 1 April 2016 to 31 March 2017.



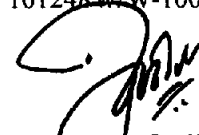
**Independent Auditors' Report on consolidated year to date results of Kansai Nerolac Paints Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Kansai Nerolac Paints Limited**

**Other matters**

We did not audit the financial statements of KNP Japan Private Limited (*formerly known as Kansai Paints Nepal Private Limited*) and Kansai Paints Lanka (Private) Limited whose financial statements include total assets of Rs 68.08 crores as at the year ended 31 March 2017, as well as total revenue of Rs 53.95 crores, total profit after tax of Rs 4.13 crores, net cash flows of Rs 4.15 crores for the year ended on that date, as considered in the consolidated financial results. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the year to date consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based on the report of such other auditors. Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022



**Aniruddha Godbole**  
Partner  
Membership No: 105149

Mumbai  
2 May 2017

**KANSAI NEROLAC PAINTS LIMITED**

Registered Office: Nerolac House, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013  
 Tel: +91-22-24934001; Fax: +91-22-24973704; e-mail: investor@nerolac.com  
 Website: www.nerolac.com CIN: L24202MH1920PLC000825

**STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017**

PART I		Standalone						Consolidated	
		For the quarter ended			For the year ended			For the year ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
	Particulars								
	Gross sales / Income	1156.35	1245.88	1062.88	4936.05	4604.36	4990.00	4650.89	
1.	Income								
a.	Net sales / Income from Operations (Net of discounts and rebates)	1059.99	1140.41	990.86	4520.15	4234.59	4574.10	4263.27	
b.	Other operating income	2.88	3.40	2.87	10.90	10.93	10.43	10.59	
c.	Other Income	23.11	24.63	9.55	98.22	27.35	96.00	27.53	
	Total Income	1085.98	1168.44	1003.28	4629.27	4272.87	4682.53	4301.39	
2.	Expenses								
a.	Cost of materials consumed	546.31	541.63	505.56	2190.78	2187.33	2216.88	2205.93	
b.	Purchase of stock-in-trade	48.61	45.47	43.45	186.43	174.84	186.50	174.87	
c.	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(42.56)	2.89	(23.42)	(34.26)	(13.81)	(34.27)	(12.62)	
d.	Excise duty on sale of goods	121.40	135.35	121.77	531.98	506.99	531.98	506.99	
e.	Employee benefits expense	50.02	52.74	43.90	198.12	170.11	202.57	173.27	
f.	Depreciation and amortisation expense	17.51	17.57	17.08	69.49	67.72	70.09	68.29	
g.	Other expenses	174.97	184.19	167.67	727.31	640.08	743.47	640.76	
	Total Expenses	916.26	979.84	876.01	3869.85	3733.26	3917.22	3757.49	
3.	Profit before exceptional items (1-2)	169.72	188.60	127.27	759.42	539.61	765.31	543.90	
4.	Exceptional item	-	-	535.34	-	535.34	-	535.34	
5.	Profit before tax (3+4)	169.72	188.60	662.61	759.42	1074.95	765.31	1079.24	
6.	Tax expense								
a.	Current tax	49.40	62.48	41.07	245.16	164.63	246.93	165.77	
b.	Deferred tax	4.15	2.16	2.22	8.32	11.47	8.30	11.46	
	Total tax expense	53.55	64.64	43.29	253.48	176.10	255.23	177.23	
7.	Profit for the period (5-6)	116.17	123.96	619.32	505.94	898.85	510.08	902.01	
8.	Profit attributable to Non-controlling interests	-	-	-	-	-	1.24	1.02	
9.	Profit after Non-controlling Interests (7-B)	116.17	123.96	619.32	505.94	898.85	508.84	900.99	
10.	Other comprehensive income (net of tax)	(4.07)	(0.22)	(1.21)	(4.73)	(4.93)	(4.63)	(4.93)	
11.	Other comprehensive income (net of tax) attributable to Non-controlling Interests	-	-	-	-	-	0.07	-	
12.	Other comprehensive income (net of tax) after Non-controlling Interests	(4.07)	(0.22)	(1.21)	(4.73)	(4.93)	(4.70)	(4.93)	
13.	Total comprehensive income (9+12)	112.10	123.74	618.11	501.21	893.92	504.14	896.06	
14.	Paid up equity share capital (Face value of Re.1 each)	53.89	53.89	53.89	53.89	53.89	53.89	53.89	
15.	Earnings per share [before exceptional items (net of tax)] (of Re.1 each) (not annualised)								
a.	Basic	2.16	2.30	1.56	9.39	6.75	9.44	6.79	
b.	Diluted	2.16	2.30	1.56	9.39	6.75	9.44	6.79	
16.	Earnings per share [after exceptional items (net of tax)] (of Re.1 each) (not annualised)								
a.	Basic	2.16	2.30	11.49	9.39	16.68	9.44	16.72	
b.	Diluted	2.16	2.30	11.49	9.39	16.68	9.44	16.72	

Reconciliation of Net Profit/Loss

Rs. in Crores

Particulars	Standalone		Consolidated
	Quarter Ended	Year Ended	Year Ended
	31.03.2016	31.03.2016	31.03.2016
Reconciliation of Net Profit as reported earlier:			
Net Profit for the period (As per previous GAAP)	615.77	891.10	893.24
Fair value gain/(loss) on investment	3.22	2.70	2.70
Deferred tax on fair value gain/(loss) on investment and land	(0.88)	0.12	0.12
Total comprehensive income for the period (As per Ind AS)	618.11	893.92	896.06

Reconciliation of Equity

Rs. in Crores

Particulars	Standalone	Consolidated
	Year Ended	Year Ended
	31.03.2016	31.03.2016
Reconciliation of Equity as reported earlier:		
Equity (As per previous GAAP)	2289.16	2301.87
Dividend adjustments	198.76	198.76
Fair value gain/(loss) on investment	4.21	4.21
Deferred tax on fair value gain/(loss) on investment and land	10.74	10.74
Equity (As per Ind AS)	2502.87	2515.58

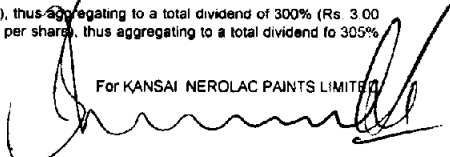


Particulars	Standalone				Consolidated			
	As at		As at		As at		As at	
	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
<b>A ASSETS</b>								
<b>1. Non-current Assets</b>								
Property, Plant and Equipment	945.53	925.86	954.11	925.86	954.11	925.86	954.11	925.86
Capital Work-in-progress	142.12	41.95	154.37	41.95	154.37	41.95	154.37	41.95
Investment Property	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Goodwill	-	-	2.27	-	2.27	-	2.27	-
Other Intangible Assets	0.89	0.52	0.90	0.52	0.90	0.52	0.90	0.52
		1086.72		966.51		1111.83		979.53
<b>Financial Assets:</b>								
Investments	22.03	11.15	0.69	11.15	0.69	3.28	11.15	3.28
Loans	-	0.65	-	0.65	-	0.65	0.65	0.65
Other Financial Assets	10.31	9.29	11.29	9.29	11.29	9.31	9.29	9.31
		32.34		21.09		11.98		13.24
Other Non-current Assets		121.64		62.00		122.17		62.55
<b>Total Non-current Assets</b>		1242.70		1051.60		1245.98		1055.32
<b>2. Current Assets</b>								
Inventories		691.31		571.71		703.20		582.72
<b>Financial Assets:</b>								
Investments	530.75	535.56	530.75	535.56	530.75	535.56	530.75	535.56
Trade Receivables	571.71	524.62	590.44	524.62	590.44	545.51	571.71	545.51
Cash and cash equivalents	43.87	477.25	55.62	477.25	55.62	477.87	43.87	477.87
Bank Balances other than Cash and Cash equivalents	432.00	0.64	432.00	0.64	432.00	0.64	432.00	0.64
Loans	6.66	6.38	0.28	6.38	0.28	-	6.66	-
Other Financial Assets	12.57	3.88	11.09	3.88	11.09	3.88	12.57	3.88
		1597.56		1548.33		1620.18		1563.46
Other Current Assets		65.79		100.15		66.89		99.72
<b>Total Current Assets</b>		2354.66		2220.19		2390.27		2245.90
<b>Total Assets</b>		3597.36		3271.79		3636.25		3301.22
<b>B EQUITY AND LIABILITIES</b>								
<b>1. Equity</b>								
Equity Share Capital	53.89	53.89	53.89	53.89	53.89	53.89	53.89	53.89
Other Equity	2751.43	2448.88	2780.61	2448.88	2780.61	2455.72	2751.43	2455.72
		2805.32		2502.87		2814.50		2509.61
Non-controlling interests		-		-		15.25		5.97
<b>Total Equity</b>		2805.32		2502.87		2829.75		2515.58
<b>Liabilities</b>								
<b>2. Non-current Liabilities</b>								
<b>Financial Liabilities:</b>								
Borrowings	18.33	28.79	18.20	28.79	18.20	29.44	18.33	29.44
Provisions	7.11	4.05	7.11	4.05	7.11	4.05	7.11	4.05
Deferred Tax Liabilities (Net)	79.21	73.39	79.47	73.39	79.47	73.67	79.21	73.67
<b>Total Non-current Liabilities</b>		104.65		106.23		104.78		107.16
<b>3. Current Liabilities</b>								
<b>Financial Liabilities:</b>								
Trade Payables	550.20	542.98	580.66	542.98	580.66	551.27	550.20	551.27
Other Financial Liabilities	80.24	69.06	80.24	69.06	80.24	73.63	80.24	73.63
	630.44	612.04	640.90	612.04	640.90	624.90	630.44	624.90
Other Current Liabilities	37.13	30.35	39.60	30.35	39.60	32.43	37.13	32.43
Provisions	16.15	15.22	16.35	15.22	16.35	15.31	16.15	15.31
Current Tax Liabilities (Net)	3.67	5.08	4.87	5.08	4.87	5.84	3.67	5.84
<b>Total Current Liabilities</b>		687.39		662.69		701.72		678.48
<b>Total Liabilities</b>		792.04		768.92		806.50		785.64
<b>Total Equity and Liabilities</b>		3597.36		3271.79		3636.25		3301.22

## Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 2 May 2017. The statutory auditors have expressed an unqualified opinion. The audit report has been filed with stock exchange and is available on the Company's website.
- Figures for the quarter ended 31 March 2017 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.
- The Company has prepared its first Financial Statements which comply with Ind AS applicable for the periods ending on 31st March, 2017, together with comparative period data as and for the year ended 31st March, 2016. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2015, the Company's date of transition to Ind AS.
- During the previous year, the Company had sold its Perungudi Fixed Assets for a consideration of Rs. 537.86 Crores. The profit arising out of this sale of Rs. 535.34 Crores was disclosed as an exceptional item in the Standalone Statement of Profit and Loss for the year ended 31 March 2016. The Standalone net profit for the year ended 31 March 2016 (excluding the aforementioned profit of Rs 535.34 crores on sale of fixed assets) is Rs 363.51 crores as against the Standalone net profit for the year ended 31 March 2017 of Rs. 505.94 Crores.
- As the Company's business activity falls within a single segment viz. 'Paints' and the sales substantially being in the domestic market, hence the same is reflective of the disclosure requirements of Ind AS 108 - Operating Segments.
- The Directors have recommended a normal dividend of 250% (Rs. 2.50 per share) and a special dividend of 50% (Rs. 0.50 per share), thus aggregating to a total dividend of 300% (Rs. 3.00 per share) for the year. This compares with a normal dividend of 180% (Rs. 1.80 per share) and a special dividend of 125% (Rs. 1.25 per share), thus aggregating to a total dividend of 305% (Rs. 3.05 per share) declared last year.

For KANSAI NEROLAC PAINTS LIMITED


  
H M BHARUKA  
MANAGING DIRECTOR

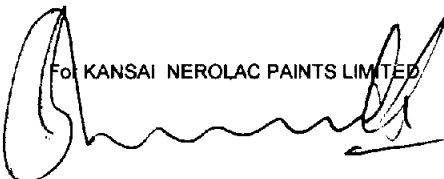
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**STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2017**

Particulars	Standalone						Consolidated	
	For the quarter ended			For the year ended			For the year ended	
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	
Total Income	1085.98	1168.44	1003.28	4629.27	4272.87	4682.53	4301.39	
Net Profit for the period (before Tax and Exceptional items)	169.72	188.60	127.27	759.42	539.61	765.31	543.90	
Net Profit for the period before tax (after Exceptional items)	169.72	188.60	662.61	759.42	1074.95	765.31	1079.24	
Net Profit for the period after tax (after Exceptional items)	116.17	123.96	619.32	505.94	898.85	508.84	900.99	
Total Comprehensive Income for the period	112.10	123.74	618.11	501.21	893.92	504.14	896.06	
Equity Share Capital	53.89	53.89	53.89	53.89	53.89	53.89	53.89	
Earnings Per Share (of Re. 1/- each)								
Basic	2.16	2.30	11.49	9.39	16.68	9.44	16.72	
Diluted	2.16	2.30	11.49	9.39	16.68	9.44	16.72	

Note: The above is an extract of the detailed format of Statement of Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of Statement of Financial Results are available on the websites of Stock Exchanges at <http://www.bseindia.com> and <http://www.nseindia.com> and also on the Company's website at <http://www.nerolac.com>. The auditors have expressed an unqualified audit report on the financial results for the quarter and year ended 31 March 2017.

For KANSAI NEROLAC PAINTS LIMITED



H. M. BHARUKA  
Managing Director

Place: Mumbai  
Date: 2 May 2017