

May 2, 2019

1. Corporate Relationship Department  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001.
2. Manager – Listing  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051

**Sub.: Outcome of the Board Meeting of Kansai Nerolac Paints Limited (“Company”) held on May 2, 2019**

- Ref.: 1. Regulation 30 (read with Schedule III - Part A), 33 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)
2. Scrip Codes : BSE - 500165, NSE - KANSAINER

Dear Sirs,

Kindly note that the Board of Directors of the Company has, in its meeting held today i.e. on Thursday, May 2, 2019 (“said meeting”), *inter alia*

- (i) considered and approved the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2019 (“Audited Financial Results”);
- (ii) recommended a dividend of 260% (Rs. 2.60 per equity share of the face value of Re. 1 each), for the financial year ended March 31, 2019;
- (iii) approved the appointment of M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, as amended, and rules framed thereunder, the Company is required to rotate its Statutory Auditors in the ensuing 99<sup>th</sup> Annual General Meeting. M/s. B S R & Co. LLP, Chartered Accountants are the present Statutory Auditors of the Company.

Accordingly, M/s. S R B C & CO LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003) have been appointed as Statutory Auditors of the Company, for a period of five years, from the conclusion of ensuing 99<sup>th</sup> Annual General Meeting of the Company until the conclusion of 104<sup>th</sup> Annual General Meeting of the Company, subject to the approval of the shareholders at the 99<sup>th</sup> Annual General Meeting.

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

Tel.: + 91.22.2493 4001  
+91.22.2499 2500



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- (iv) granted in-principle approval to the merger of Marpol Private Limited and Perma Construction Aids Private Limited, both wholly-owned subsidiaries of the Company, with the Company, subject to necessary statutory approvals from various regulatory authorities.

The said meeting commenced at 11.50 a.m. and concluded at 2.30 p.m.

Further, pursuant to the applicable provisions of SEBI Listing Regulations, please find enclosed herewith:

- (i) the Audited Financial Results; and  
(ii) Auditors Report dated May 2, 2019, issued by the Statutory Auditors of the Company with respect to the Audited Financial Results and taken on record by the Board of Directors of the Company.

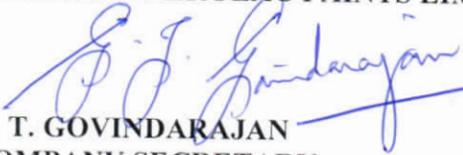
Please note that in terms of the provisions of Regulation 33(3)(d) of SEBI Listing Regulations, as amended, we declare that the Statutory Auditor of the Company, viz. B S R & Co. LLP, Chartered Accountants (Registration No.: 101248W/W-100022) have issued an Auditors' Report with unmodified opinion on the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2019.

A press release issued on the Audited Financial Results is also enclosed herewith.

Necessary arrangements have been made for publishing the Audited Financial results in the newspapers, in the prescribed formats, in terms of Regulation 47 of SEBI Listing Regulations.

The above is for your information and record.

For **KANSAI NEROLAC PAINTS LIMITED**

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



Encl: As above.

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

Part I

₹ in Crores

| Particulars   | Standalone              |                           |                         |                         |                         | Consolidated            |                         |
|---|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | For the quarter ended   |                           | For the year ended      |                         |                         | For the year ended      |                         |
|   | 31.03.2019<br>(Audited) | 31.12.2018<br>(Unaudited) | 31.03.2018<br>(Audited) | 31.03.2019<br>(Audited) | 31.03.2018<br>(Audited) | 31.03.2019<br>(Audited) | 31.03.2018<br>(Audited) |
| Gross Sales / Income  | 1267.96                 | 1486.19                   | 1204.19                 | 5682.28                 | 5197.77                 | 5984.72                 | 5297.12                 |
| 1. Income   |                         |                           |                         |                         |                         |                         |                         |
| a. Net Sales / Income from Operations<br>(Net of Discounts and Rebates)                         | 1141.98                 | 1343.64                   | 1098.27                 | 5138.86                 | 4720.03                 | 5388.47                 | 4792.19                 |
| b. Other Operating Income   | 11.18                   | 7.02                      | 5.29                    | 34.76                   | 16.98                   | 35.85                   | 16.33                   |
| c. Other Income   | 14.45                   | 19.84                     | 18.63                   | 61.88                   | 72.42                   | 60.52                   | 70.91                   |
| Total Income  | 1167.61                 | 1370.50                   | 1122.19                 | 5235.50                 | 4809.43                 | 5484.84                 | 4879.43                 |
| 2. Expenses   |                         |                           |                         |                         |                         |                         |                         |
| a. Cost of Materials Consumed   | 772.56                  | 841.84                    | 704.77                  | 3241.77                 | 2674.88                 | 3404.80                 | 2717.66                 |
| b. Purchase of Stock-in-Trade   | 70.33                   | 68.54                     | 60.81                   | 258.74                  | 213.64                  | 258.74                  | 213.83                  |
| c. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade                | (108.03)                | (26.15)                   | (81.40)                 | (197.98)                | (114.45)                | (201.78)                | (117.93)                |
| d. Excise Duty on Sale of Goods   | -                       | -                         | -                       | -                       | 150.44                  | -                       | 150.44                  |
| e. Employee Benefits Expense  | 60.92                   | 67.70                     | 57.10                   | 255.38                  | 226.56                  | 283.41                  | 235.08                  |
| f. Finance Costs  | -                       | -                         | -                       | -                       | -                       | 9.97                    | 0.67                    |
| g. Depreciation and Amortisation Expense  | 23.48                   | 23.51                     | 19.67                   | 90.47                   | 75.79                   | 106.28                  | 77.07                   |
| h. Other Expenses   | 207.75                  | 221.76                    | 193.35                  | 873.71                  | 796.17                  | 926.63                  | 815.65                  |
| Total Expenses  | 1027.01                 | 1197.20                   | 954.30                  | 4522.09                 | 4023.03                 | 4788.05                 | 4092.47                 |
| 3. Profit before Tax (1-2)  | 140.60                  | 173.30                    | 167.89                  | 713.41                  | 786.40                  | 696.79                  | 786.96                  |
| 4. Tax Expense  |                         |                           |                         |                         |                         |                         |                         |
| a. Current Tax  | 46.74                   | 51.93                     | 77.09                   | 221.87                  | 268.21                  | 225.54                  | 270.72                  |
| b. Deferred Tax   | 1.04                    | 8.67                      | (15.01)                 | 24.19                   | 1.79                    | 23.59                   | 2.49                    |
| Total Tax Expense   | 47.78                   | 60.60                     | 62.08                   | 246.06                  | 270.00                  | 249.13                  | 273.21                  |
| 5. Profit for the Period (3-4)  | 92.82                   | 112.70                    | 105.81                  | 467.35                  | 516.40                  | 447.66                  | 513.75                  |
| 6. Profit / (Loss) attributable to Non-controlling Interests                                    | -                       | -                         | -                       | -                       | -                       | (5.09)                  | (0.65)                  |
| 7. Profit after Non-controlling Interests (5-6)   | 92.82                   | 112.70                    | 105.81                  | 467.35                  | 516.40                  | 452.75                  | 514.40                  |
| 8. Other Comprehensive Income   |                         |                           |                         |                         |                         |                         |                         |
| a. (i) Items that will not be reclassified to Statement of Profit and Loss                      | 3.14                    | (0.57)                    | 0.73                    | 1.41                    | (1.67)                  | 1.51                    | (1.55)                  |
| (ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss | (1.10)                  | 0.21                      | (0.25)                  | (0.49)                  | 0.58                    | (0.51)                  | 0.58                    |
| b. (i) Items that will be reclassified to Statement of Profit and Loss                          | -                       | -                         | -                       | -                       | -                       | (0.79)                  | (0.07)                  |
| (ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss     | -                       | -                         | -                       | -                       | -                       | -                       | -                       |
|   | 2.04                    | (0.36)                    | 0.48                    | 0.92                    | (1.09)                  | 0.21                    | (1.04)                  |
| 9. Other Comprehensive Income (net of tax) attributable to Non-controlling Interests            | -                       | -                         | -                       | -                       | -                       | 0.03                    | (0.03)                  |
| 10. Other Comprehensive Income (net of tax) after Non-controlling Interests                     | 2.04                    | (0.36)                    | 0.48                    | 0.92                    | (1.09)                  | 0.18                    | (1.07)                  |
| 11. Total Comprehensive Income (7+10)   | 94.86                   | 112.34                    | 106.29                  | 468.27                  | 515.31                  | 452.93                  | 513.33                  |
| 12. Paid up Equity Share Capital<br>(Face value of ₹ 1 each)                                    | 53.89                   | 53.89                     | 53.89                   | 53.89                   | 53.89                   | 53.89                   | 53.89                   |
| 13. Other Equity  |                         |                           |                         | 3370.58                 | 3071.23                 | 3362.44                 | 3078.43                 |
| 14. Earnings Per Share<br>(of ₹ 1 each) (not annualised)  |                         |                           |                         |                         |                         |                         |                         |
| a. Basic  | 1.72                    | 2.09                      | 1.96                    | 8.67                    | 9.58                    | 8.40                    | 9.55                    |
| b. Diluted  | 1.72                    | 2.09                      | 1.96                    | 8.67                    | 9.58                    | 8.40                    | 9.55                    |



KANSAI NEROLAC PAINTS LIMITED  
STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2019

| Particulars  | ₹ in Crores             |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Standalone              |                         | Consolidated            |                         |
|  | As at                   |                         | As at                   |                         |
|  | 31.03.2019<br>(Audited) | 31.03.2018<br>(Audited) | 31.03.2019<br>(Audited) | 31.03.2018<br>(Audited) |
| <b>A ASSETS</b>  |                         |                         |                         |                         |
| <b>1. Non-current Assets</b>   |                         |                         |                         |                         |
| Property, Plant and Equipment  | 1312.19                 | 1004.28                 | 1404.52                 | 1030.72                 |
| Capital Work-in-progress   | 314.69                  | 343.09                  | 316.35                  | 345.98                  |
| Investment Property  | 0.18                    | 0.18                    | 0.18                    | 0.18                    |
| Goodwill   | -                       | -                       | 19.58                   | 2.27                    |
| Other Intangible Assets  | 3.54                    | 2.12                    | 40.79                   | 2.37                    |
|  | 1630.60                 | 1349.67                 | 1781.42                 | 1381.52                 |
| <b>Financial Assets:</b>   |                         |                         |                         |                         |
| Investments  | 108.93                  | 25.81                   | 0.96                    | 0.71                    |
| Loans  | 13.27                   | 11.26                   | 14.16                   | 12.21                   |
|  | 122.20                  | 37.07                   | 15.12                   | 12.92                   |
| Current Tax Assets (Net)   | 155.68                  | 80.07                   | 165.71                  | 80.07                   |
| Other Non-current Assets   | 235.27                  | 70.42                   | 235.29                  | 70.42                   |
| <b>Total Non-current Assets</b>  | 2143.75                 | 1537.23                 | 2197.54                 | 1544.93                 |
| <b>2. Current Assets</b>   |                         |                         |                         |                         |
| Inventories  | 1052.77                 | 805.76                  | 1111.06                 | 829.18                  |
| <b>Financial Assets:</b>   |                         |                         |                         |                         |
| Investments  | 195.56                  | 519.96                  | 195.56                  | 519.96                  |
| Trade Receivables  | 674.02                  | 675.69                  | 755.58                  | 702.64                  |
| Cash and Cash Equivalents  | 78.88                   | 60.51                   | 93.37                   | 63.21                   |
| Bank Balances other than Cash and Cash   | 2.49                    | 300.40                  | 2.82                    | 300.40                  |
| Loans  | 4.58                    | 3.32                    | 5.22                    | 3.32                    |
| Other Financial Assets   | 7.13                    | 27.02                   | 5.30                    | 25.55                   |
|  | 962.66                  | 1586.90                 | 1057.85                 | 1615.08                 |
| Other Current assets   | 146.74                  | 137.97                  | 151.44                  | 140.73                  |
| <b>Total Current Assets</b>  | 2162.17                 | 2530.63                 | 2320.35                 | 2584.99                 |
| <b>Total Assets</b>  | 4305.92                 | 4067.86                 | 4517.89                 | 4129.92                 |
| <b>B EQUITY AND LIABILITIES</b>  |                         |                         |                         |                         |
| <b>1. Equity</b>   |                         |                         |                         |                         |
| Equity Share Capital   | 53.89                   | 53.89                   | 53.89                   | 53.89                   |
| Other Equity   | 3370.58                 | 3071.23                 | 3362.44                 | 3078.43                 |
|  | 3424.47                 | 3125.12                 | 3416.33                 | 3132.32                 |
| Non-controlling Interest   | -                       | -                       | 20.09                   | 16.38                   |
| <b>Total Equity</b>  | 3424.47                 | 3125.12                 | 3436.42                 | 3148.70                 |
| <b>Liabilities</b>   |                         |                         |                         |                         |
| <b>2. Non-current Liabilities</b>  |                         |                         |                         |                         |
| <b>Financial Liabilities:</b>  |                         |                         |                         |                         |
| Borrowings   | 3.40                    | 9.71                    | 4.35                    | 9.71                    |
| Provisions   | -                       | -                       | 0.02                    | 0.13                    |
| Deferred Tax Liabilities (Net)   | 105.10                  | 80.42                   | 126.67                  | 81.38                   |
| <b>Total Non-current Liabilities</b>   | 108.50                  | 90.13                   | 131.04                  | 91.22                   |
| <b>3. Current Liabilities</b>  |                         |                         |                         |                         |
| <b>Financial Liabilities:</b>  |                         |                         |                         |                         |
| Borrowings   | -                       | -                       | 96.51                   | 16.83                   |
| <b>Trade Payables:</b>   |                         |                         |                         |                         |
| Total Outstanding dues of Micro Enterprises and Small Enterprises                      | 17.83                   | -                       | 17.83                   | -                       |
| Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 614.03                  | 683.58                  | 675.55                  | 699.87                  |
|  | 631.86                  | 683.58                  | 693.38                  | 699.87                  |
| Other Financial Liabilities  | 103.50                  | 114.35                  | 104.61                  | 115.07                  |
|  | 735.36                  | 797.93                  | 894.50                  | 831.77                  |
| Other Current Liabilities  | 19.87                   | 29.88                   | 34.87                   | 32.73                   |
| Provisions   | 14.41                   | 21.13                   | 16.25                   | 21.14                   |
| Current Tax Liabilities (Net)  | 3.31                    | 3.67                    | 4.81                    | 4.36                    |
| <b>Total Current Liabilities</b>   | 772.95                  | 852.61                  | 950.43                  | 890.00                  |
| <b>Total Liabilities</b>   | 881.45                  | 942.74                  | 1081.47                 | 981.22                  |
| <b>Total Equity and Liabilities</b>  | 4305.92                 | 4067.86                 | 4517.89                 | 4129.92                 |



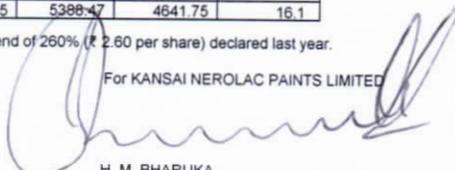
**Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 2 May 2019. The statutory auditors have expressed an unqualified audit opinion. The audit report has been filed with stock exchange and is available on the Company's website.
2. Standalone figures for the quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these financials 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 third quarter had only been reviewed and not subjected to audit.
3. Financial results for all the periods presented have been prepared in accordance with recognition and measurement principles of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
4. Consequent to the amendments in Schedule III to Companies Act, 2013, presentation of financial statements is amended to comply with the new requirements.
5. 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.
6. Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". Based on the assessment done by the management, there is no material impact on the revenue recognised during the year.
7. The Company has completed the formalities for the acquisition of the 100% equity stake in Perma Construction Aids Private Limited subsequent to the balance sheet date i.e. 31 March 2019.
8. The Board of Directors of the Company has accorded its in-principle consent to the merger of Marpol Private Limited and Perma Construction Aids Private Limited (both are wholly owned subsidiaries of the Company) with the Company under a proposed Scheme of Amalgamation subject to necessary statutory approvals from various regulatory authorities.
9. According to the requirements of Ind AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the corresponding previous year ended 31st March, 2018 was reported inclusive of Excise Duty. The Government of India has implemented Goods and Service Tax ('GST') from 1st July, 2017 replacing Excise duty, Service Tax and various other indirect taxes. As per Ind AS 115, the revenue for the year ended 31st March, 2019 are reported net of GST. Had the previously reported revenues been shown net of excise duty, comparative revenue of Financial Results would have been as follows:

|                                    | Standalone |            | Growth % | Consolidated |            | Growth % |
|------------------------------------|------------|------------|----------|--------------|------------|----------|
|                                    | Year ended |            |          | Year ended   |            |          |
|                                    | 31.03.2019 | 31.03.2018 |          | 31.03.2019   | 31.03.2018 |          |
| Net Sales / Income from Operations | 5138.86    | 4569.59    | 12.5     | 5388.47      | 4641.75    | 16.1     |

10. The Directors have recommended a normal dividend of 260% (₹ 2.60 per share) for the year. This compares with a dividend of 260% (₹ 2.60 per share) declared last year.

For KANSAI NEROLAC PAINTS LIMITED

  
H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
Date: 2 May 2019



## 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 2019

₹ in Crores

| Particulars  | Standalone              |                           |                         |                         |                         | Consolidated            |                         |
|--|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | For the quarter ended   |                           |                         | For the year ended      |                         | For the year ended      |                         |
|  | 31.03.2019<br>(Audited) | 31.12.2018<br>(Unaudited) | 31.03.2018<br>(Audited) | 31.03.2019<br>(Audited) | 31.03.2018<br>(Audited) | 31.03.2019<br>(Audited) | 31.03.2018<br>(Audited) |
| Total Income   | 1167.61                 | 1370.50                   | 1122.19                 | 5235.50                 | 4809.43                 | 5484.84                 | 4879.43                 |
| Net Profit for the Period (before Tax and Exceptional items)   | 140.60                  | 173.30                    | 167.89                  | 713.41                  | 786.40                  | 696.79                  | 786.96                  |
| Net Profit for the Period before tax (after Exceptional items) | 140.60                  | 173.30                    | 167.89                  | 713.41                  | 786.40                  | 696.79                  | 786.96                  |
| Net Profit for the Period after tax (after Exceptional items)  | 92.82                   | 112.70                    | 105.81                  | 467.35                  | 516.40                  | 447.66                  | 514.40                  |
| Total Comprehensive Income for the Period                      | 94.86                   | 112.34                    | 106.29                  | 468.27                  | 515.31                  | 452.93                  | 513.33                  |
| Equity Share Capital   | 53.89                   | 53.89                     | 53.89                   | 53.89                   | 53.89                   | 53.89                   | 53.89                   |
| Other Equity   |                         |                           |                         | 3370.58                 | 3071.23                 | 3362.44                 | 3078.43                 |
| Earnings Per Share (of ₹ 1/- each)                             |                         |                           |                         |                         |                         |                         |                         |
| Basic  | 1.72                    | 2.09                      | 1.96                    | 8.67                    | 9.58                    | 8.40                    | 9.55                    |
| Diluted  | 1.72                    | 2.09                      | 1.96                    | 8.67                    | 9.58                    | 8.40                    | 9.55                    |

Note: The above is an extract of the detailed format of Statement of Audited 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 Audited 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 opinion on the financial results for the quarter and year ended 31 March, 2019.



For KANSAI NEROLAC PAINTS LIMITED

H. M. BHARUKA  
VICE CHAIRMAN AND MANAGING DIRECTOR

Place: Mumbai  
Date: 2 May 2019

# B S R & Co. LLP

Chartered Accountants

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

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Fax +91 (22) 4345 5399

## Independent Auditors' Report on Standalone Annual Financial 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 standalone annual financial results of Kansai Nerolac Paints Limited ('the Company') for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these standalone annual 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.

These standalone annual financial results have been prepared on the basis of the audited standalone annual financial statements and reviewed quarterly standalone financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these standalone annual financial results based on our audit of the standalone annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 annual financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as the standalone annual 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 standalone annual financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and



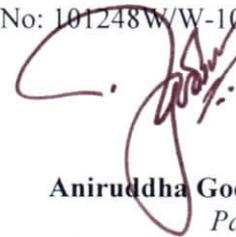
**Independent Auditors' Report on Standalone Annual Financial Results of Kansai Nerolac Paints Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)**

**Kansai Nerolac Paints Limited**

**Opinion (Continued)**

- (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

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



**Aniruddha Godbole**  
Partner  
Membership No: 105149

Mumbai  
2 May 2019

# B S R & Co. LLP

Chartered Accountants

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

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## Independent Auditors' Report on the Consolidated Annual Financial 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 consolidated annual 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 ended 31 March 2019, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

These consolidated annual financial results have been prepared from the audited consolidated annual financial statements, which are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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 annual financial results are free of material misstatements. An audit includes examining on test basis, evidence supporting the amounts disclosed as the consolidated annual 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.

We did not audit the financial statements of KNP Japan Private Limited, Kansai Paints Lanka (Private) Limited, Marpol Limited and RAK Paints Limited included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs 220.83 crores as at the year ended 31 March 2019, as well as total revenue of Rs 259.10 crores for the year ended 31 March 2019. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors.

**Independent Auditors' Report on the Consolidated Annual Financial 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**

The financial statements and other financial information of the three subsidiaries located outside India have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it related to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

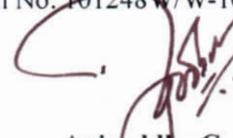
Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of other auditors on separate annual financial statements and on other information of the subsidiaries as aforesaid, these consolidated annual financial results:

- (i) include the annual financial results of KNP Japan Private Limited, Kansai Paints Lanka (Private) Limited, Marpol Private Limited and RAK Paints Limited for the year ended 31 March 2019;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the consolidated profit and other comprehensive income and other financial information for the year ended 31 March 2019.

Mumbai  
2 May 2019

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



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

## Press Release

Press Release

Mumbai, May 2, 2019

### Kansai Nerolac Paints Ltd Announces Q4 Results FY 2018-2019

**Mumbai, May 2, 2019:** Kansai Nerolac Paints Limited (**KNPL**), one of the leading Paint companies in India, today at the Board meeting announced its audited results for the fourth quarter of financial year 2018-19. For the quarter, the company declared Net sales of Rs. 1142 Crores a growth of 4 % over the corresponding quarter of the previous year and net sales of Rs. 5138.9 crores for entire year a growth of 12.5 % over the last financial year.

EBIDTA was Rs. 149.6 crores a degrowth of 11.4 over the same quarter of the previous year. For the entire year, EBIDTA was Rs. 742 Crores a degrowth of 6 % over the same period of the previous year.

Commenting on the results, **Mr. H. M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Ltd** said, "Continuing the trend seen in the previous quarter, the Decorative segment continued to see growth this quarter. The growth in Decorative was lower than previous quarters. The Automotive segment witnessed a negative growth this quarter. A similar slackening in demand was also seen on other OEM segments. This has led to an overall lower demand for Industrial products in general.

Whilst cost pressures abated as compared to earlier quarter, prices of derivatives still remain high. During the quarter crude was not able to maintain the low levels witnessed in December and continued to rise. The rupee dollar exchange rate also continued to be volatile.

The company has been able to pass on the cost increase in decorative. In Industrial the company has been only able to only partly get price increases to offset increase in material costs. This is reflected in the bottom-line.

The company expects the growth momentum to be subdued for the immediate future though it is hopeful for a good momentum for the year as a whole."

#### **Outlook of Indian Paint Industry:**

The size of domestic paint industry is estimated at Rs.47000 crores as of Mar 2018. The good growth in infrastructure, core sector as well as automobile and real estate is likely to have a positive effect on the overall demand of paint for the industry.

#### **About Kansai Nerolac Paints Ltd:**

Kansai Nerolac Paints has been at the forefront of paint manufacturing for more than 90 years pioneering a wide spectrum of quality paints. Kansai Nerolac is one of the leading paint company in India and is the leader in Industrial segment, having a turnover of Rs.5682 crores. The company has five strategically located manufacturing units all over India and a strong dealer network across the country. The company manufactures a diversified range of products ranging from decorative paints coatings for homes, offices, hospitals and hotels to sophisticated industrial coatings for most of the industries. Please visit [www.nerolac.com](http://www.nerolac.com)

