

Akzo Nobel India Limited

AkzoNobel

28 May 2015

The Secretary
National Stock Exchange of India Ltd,
Exchange Plaza, 5th floor,
Plot No C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400051
Fax Nos 022 26598237/38, 26598347/48

Dear Sir,

Audited Financial Results for the year ended 31 March 2015

This is to inform you that the Board of Directors of Akzo Nobel India Limited at its meeting held today has approved the Audited Financial Results of the Company for the year ended 31 March 2015.

Copies of the Audited Financial Results, Independent Auditor's Report thereon and the Press Release issued by the Company today are attached herewith.

Yours faithfully,
for Akzo Nobel India Limited

R Guha
Company Secretary

Encl: As above

Akzo Nobel India Limited

AkzoNobel

Press Release

AkzoNobel India announces full-year results for 2014-15

Total revenue at ₹2527 crore; up 5%

Operating profit at ₹209 crore; up 41%

Gurgaon, May 28, 2015:

Today, the Board of Directors of Akzo Nobel India Limited approved the audited financial results for the quarter and year ended March 31, 2015.

Performance highlights:

- **Total revenue** from operation is at ₹2527 crore as compared to ₹2418 crore of the previous year – YoY growth of 5%
- **Profit from operations** is at ₹209 crore as compared to ₹148 crore of the previous year – YoY growth of 41%
- **Profit after tax (PAT)** is at ₹186 crore as compared to ₹150 crore of the previous year – YoY growth of 24%

Comments:

Nihal Kaviratne CBE, Chairman, AkzoNobel India:

"In a challenging environment of industry demand, AkzoNobel India has performed successfully in FY 2014-15. I am happy to announce that the Board, at its meeting today, has recommended a higher dividend of ₹20 per share, compared with ₹15 (excluding the special dividend) last year. We greatly appreciate the consistent support of our loyal shareholders.

Please join me in welcoming Mr. AB Ghosh, Managing Director, Metal Coatings, AkzoNobel NV, to the Board. He brings global expertise and international best practices to our Company."

Jayakumar Krishnaswamy, Managing Director, AkzoNobel India:

"AkzoNobel India has registered a 24% growth in PAT in FY 2014-15, led by efficiency improvements, continued focus on costs and enriched sales mix, and relatively better input prices.

Epitome, Tower A
20th Floor DLF Cyber City
Phase - III Gurgaon -122002
Haryana, India

T +91 124 2540400
F +91 124 2518041
www.akzonobel.co.in

Registered office: Ghatakjall Apartment, 1st Floor, 8B Middleton Street Kolkata – 700 071 CIN: L24292WB1954PLC021516



AkzoNobel India's CSR activity is being enhanced through multiple new partnerships. We are currently associated with Child, Rights and You (CRY) and ICICI Foundation. Together with these organisations, we are working in the areas of skill development and creating awareness of safety and sustainability."

About AkzoNobel India:

Present in India for 60 years and a significant player in the paints industry. Over the years, it has witnessed sustained expansion, growth and transformation. In 2008, the Company became a member of the AkzoNobel Group.

AkzoNobel India manufactures and markets a wide range of coatings covering Decorative paints Protective coatings and Specialty chemicals. We provide solutions to many industries and sectors including automotive, consumer electronics, power, aviation, shipping and leisure craft, construction, oil and gas, water and waste water, food and beverages, etc.

We supply industries and consumer with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well-known brands such as Dulux, Sikkens, International and Interpon. Our employee strength is close to 1800.

AkzoNobel India has manufacturing sites, offices and distribution network spread across the country. All manufacturing facilities have state-of-art environmental management system. Its commitment to Health, Safety, Environment & Security (HSE&S) has been amongst the best in class globally, with due care being taken to protect the people and the environment.

Company Contacts:

Investor Relations, AkzoNobel India: R Guha, investor.india@akzonobel.com; +91-124-2540400
Corporate Communications, AkzoNobel India: Joya Ahluwalia, joya.ahluwalia@akzonobel.com; +91-124-4652511

Safe Harbour Statement:

This press release contains statements which address such key issues as Akzo Nobel's growth strategy, future financial results, market positions, product development, products in the pipeline, and product approvals. Such statements should be carefully considered, and it should be understood that many factors could cause forecasted and actual results to differ materially from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues, and legislative, fiscal, and other regulatory measures.

Akzo Nobel India Limited**Registered Office : Geotanjali Apartment, 1st Floor, 9-B Middleton Street, Kolkata -700071****Financial Results for the quarter and year ended 31 March 2015**

(Rs. Millions)

PART I

Particulars	Quarter ended			Year ended	Year ended
	31 March 2015	31 December 2014	31 March 2014	31 March 2015	31 March 2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1 Income from operations					
(a) Net sales (net of excise duty)	5,777.6	6,714.1	6,012.8	24,697.9	23,717.1
(b) Other operating income	144.0	156.1	103.4	572.0	482.0
Total Income from operations (net)	5,921.6	6,870.2	6,116.2	25,269.9	24,179.1
2 Expenses					
(a) Cost of materials consumed	2,815.6	2,695.1	3,007.7	11,989.5	11,726.5
(d) Employee benefits expense	575.0	495.0	463.5	2,097.7	1,936.9
(e) Depreciation and amortisation expense	137.1	128.6	116.7	525.9	436.7
(f) Other expenses	1,566.5	1,714.9	1,567.2	6,534.9	6,537.5
Total expenses	5,443.8	6,195.0	5,599.7	23,181.6	22,697.6
3 Profit from operations before other income, finance costs and exceptional items (1-2)	477.8	675.2	516.5	2,088.4	1,481.5
4 Other Income	136.3	67.8	225.5	650.0	566.9
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	614.1	743.0	742.0	2,738.4	2,048.4
6 Finance cost	1.5	3.0	1.8	14.9	14.7
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	612.6	740.0	740.2	2,723.5	2,033.7
8 Exceptional items - Income	-	-	-	26.7	-
9 Profit from ordinary activities before tax (7+8)	612.6	740.0	740.2	2,750.2	2,033.7
10 Tax expense	166.2	232.6	193.5	887.1	531.5
11 Net profit from ordinary activities after tax (9-10)	446.4	507.4	546.7	1,863.1	1,502.2
12 Paid - up equity share capital (ordinary shares of Rs 10/- each)	466.6	466.6	466.6	466.6	466.6
13 Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	8,719.0			8,719.0	7,996.6
14 Basic and diluted Earnings per share (of Rs. 10 each) (not annualised)	9.57	10.87	11.72	39.93	32.18





Akzo Nobel India Limited**Registered Office : Geetanjali Apartment, 1st Floor, 8-B, Middleton Street, Kolkata -700071****Financial Results for the quarter and year ended 31 March 2015****PART II**

Particulars	Quarter ended 31 March 2015	Quarter ended 31 December 2014	Quarter ended 31 March 2014	Year ended 31 March 2015	Year ended 31 March 2014
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A PARTICULARS OF SHAREHOLDING

1 Public shareholding					
- Number of shares	12,616,979	12,615,979	12,615,979	12,615,979	12,615,979
- Percentage of shareholding	27.04%	27.04%	27.04%	27.04%	27.04%
2 Promoter and Promoter Group Shareholding					
a) Pledged/ Encumbered					
- Number of shares	-	-	-	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-
b) Non-encumbered					
- Number of shares	34,044,335	34,044,335	34,044,335	34,044,335	34,044,335
- 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)	72.96%	72.96%	72.96%	72.96%	72.96%

B PARTICULARS OF INVESTOR COMPLAINTS

	Quarter ended 31 March 2015
Pending at the beginning of the quarter	-
Resolved during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	-



Akzo Nobel India Limited**Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071****Statement of Assets and Liabilities****(Rs. Millions)**

Particulars	As at 31 March	
	2015	2014
	(Audited)	(Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' Funds		
(a) Share capital	466.6	466.6
(b) Reserves and surplus	8,733.1	8,010.9
Sub total - Shareholders funds	9,199.7	8,477.5
2 Non-current liabilities		
(a) Deferred tax liabilities (net)	109.1	120.6
(b) Other long-term liabilities	180.8	143.0
(c) Long-term provisions	602.3	674.4
Sub total - Non-current liabilities	872.2	938.0
3 Current liabilities		
(a) Trade payables	4,590.1	4,926.5
(b) Other current liabilities	1,149.4	1,174.7
(c) Short-term provisions	2,179.9	4,872.2
Sub total - Current liabilities	7,918.4	10,973.4
TOTAL - EQUITY AND LIABILITIES	17,991.3	20,388.9
B ASSETS		
1 Non-current assets		
(a) Fixed assets	5,283.5	5,331.3
(b) Non-current investments	499.9	499.9
(c) Long term loans and advances	1,075.1	1,032.2
(d) Other non-current assets	5.0	18.0
Sub total - Non-current assets	6,863.5	6,881.4
2 Current assets		
(a) Current investments	3,444.1	5,786.3
(b) Inventories	3,646.6	3,242.1
(c) Trade receivables	2,784.4	3,075.5
(d) Cash and cash equivalents	600.5	722.1
(e) Short term loans and advances	516.0	513.5
(f) Other current assets	136.2	168.0
Sub total - Current assets	11,127.8	13,507.5
TOTAL - ASSETS	17,991.3	20,388.9

Akzo Nobel India LimitedRegistered Office : Geetanjali Apartment, 1st Floor, 8-B, Middleton Street, Kolkata -700071Segment wise Revenue, Results and Capital Employed
Financial Results for the quarter and year ended 31 March 2015

(Rs. Millions)

Quarter ended			Year ended	Year ended
31 March 2015	31 December 2014	31 March 2014	31 Mar 2015	31 March 2014
(Unaudited)			(Audited)	(Audited)

1 Segment Revenue

a) Coatings	5,634.6	6,566.6	5,864.0	24,152.7	23,242.9
b) Others	267.0	303.6	252.2	1,117.2	936.2
Total Income from operations (net)	5,921.6	6,870.2	6,116.2	25,269.9	24,179.1

2 Segment Results (Profit before interest and tax from each segment)

a) Coatings	499.6	680.7	490.0	2,110.8	1,472.9
b) Others	53.9	14.3	28.3	129.5	103.0
Total	553.5	695.0	518.3	2,240.3	1,575.9
Finance Cost	1.5	3.0	1.8	14.9	14.7
Other un-allocable Income (net of un-allocable expenditure)	60.6	48.0	223.7	498.1	472.5
	612.6	740.0	740.2	2,723.5	2,033.7
Exceptional Items - Income	-	-	-	26.7	-
Profit before tax	612.6	740.0	740.2	2,750.2	2,033.7

3 Capital Employed (Segment Assets - Segment Liabilities)

	As at 31 December 2014	As at 31 Mar 2015	As at 31 March 2014
a) Coatings	6,870.7	6,813.1	6,665.2
b) Others	732.7	525.9	644.9
Unallocated	2,269.3	1,860.7	1,167.4
Total	9,872.7	9,199.7	8,477.5

Note :

- Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other un-allocable income (net of un-allocable expenditure) in segment results include income from investment of surplus funds of the Company and unallocable corporate expenses.

-"Unallocated" in Capital Employed includes un-allocable corporate assets, liabilities and investments.

Akzo Nobel India Limited
Registered Office: Geetanjali Apartment, 1st Floor, 8B Middleton Street, Kolkata - 700 071

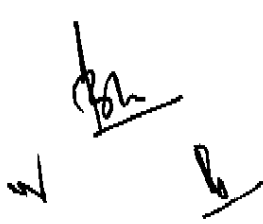
Financial Results for the quarter and year ended 31 March 2015

Notes:

1. The above results have been approved by the Audit Committee and the Board of Directors at their meetings held on 28 May 2015.
2. The Statutory Auditors of the Company have audited the financial results for the year ended 31 March 2015. The figures for the quarter ended 31 March 2015, 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. An unqualified report has been issued and the same is being filed with the Bombay and National Stock Exchanges, which is also available on the Company website- www.akzonobel.co.in.
3. During the current year, pursuant to the Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has changed the useful life specified in Part 'C' of Schedule II of the Act. As a result of this change, the depreciation charge for the quarter and year ended 31 March 2015 is higher by Rs. 11.3 million and Rs. 30.2 million respectively. Further, based on the transitional provision provided in Note 7(b) of Schedule II, an amount of Rs. 32 million (before adjustment of related tax impact of Rs. 11 million) has been debited to the opening balance of Retained earnings in respect of the fixed assets where life has expired as per the said Schedule as on 31 March 2014.
4. Consequent on receipt of provisional approval from authorities, the Company, during the year, re-assessed the provision with regard to liability on sale of Catalyst business and the net impact of Rs. 27 million has been disclosed as an exceptional item. The tax impact of the transfer is being evaluated by the management and will be recognised in the period in which the transfer is consummated.
5. During the quarter ended 30 June 2014, the Company had paid Commission amounting to Rs. 3.6 million to its Non-Executive Directors for the year ended 31 March 2014, which has been approved by the shareholders at the Annual General Meeting held on 11 August 2014.
6. The Board of Directors has recommended a dividend of Rs. 20.00 per share for the year ended 31 March 2015 (previous year: Rs. 15.00 per share and a special dividend of Rs. 60.00 per share). The dividend will be paid after the approval of the shareholders at the forthcoming Annual General Meeting.

Gurgaon
28 May 2015


Jayakumar Krishnaswamy
Managing Director



B S R & Associates LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002, India

Telephone: + 91 124 2549 191
Fax: + 91 124 2549 101

Independent Auditor's Report

To the Board of Directors of Akzo Nobel India Limited

Report on financial results

1. We have audited the accompanying Statement of financial results of Akzo Nobel India Limited ('the Company') for the year ended 31 March 2015, attached herewith, being submitted by the Company pursuant to the requirements of clause 41 of the Listing Agreement with stock exchanges, 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. This statement has been prepared on the basis of annual financial statements, which is the responsibility of the Company's management. Our responsibility is to express an opinion on this statement based on our audit of such annual financial statements, which have been prepared in accordance with the Accounting Standards specified 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.
2. We conducted our audit in accordance with the auditing standards generally acceptable in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall presentation of the Statement. We believe that our audit provides a reasonable basis for our opinion.
3. 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.
4. 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 profit and other financial information for the year ended 31 March 2015.

B S R & Associates LLP

5. 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 & Associate LLP

Chartered Accountants

Firm Registration No.: 116231W/ W- 100024



Rakesh Dewan

Partner

Membership No.: 092212

Place: Gurgaon

Date : 28 May 2015