

Akzo Nobel India Limited

Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071

Unaudited Financial Results for the quarter and six months ended 30 September 2014

PART I Particulars	Quarter ended			Year to date for six months ended		Year ended
	30 September 2014	30 June 2014	30 September 2013	30 September 2014	30 September 2013	31 March 2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income from operations						
(a) Net sales (net of excise duty)	5,926.9	6,279.3	5,649.5	12,206.2	11,265.0	23,717.1
(b) Other operating income	140.2	131.7	114.0	271.9	234.9	462.0
Total income from operations (net)	6,067.1	6,411.0	5,763.5	12,478.1	11,499.9	24,179.1
2 Expenses						
(a) Cost of materials consumed	3,377.20	3,081.6	3,002.6	6,458.8	5,797.1	11,726.5
(b) Purchase of stock-in-trade	610.9	506.7	619.7	1,117.6	1,110.7	2,204.1
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(584.3)	79.2	(369.0)	(505.1)	(429.1)	(146.1)
(d) Employee benefits expense	478.2	509.5	499.8	987.7	987.9	1,938.9
(e) Depreciation and amortisation expense	127.1	133.1	103.4	260.2	201.2	436.7
(f) Other expenses	1,654.3	1,569.2	1,634.4	3,223.5	3,167.2	6,537.5
Total expenses	5,663.4	5,879.3	5,490.9	11,542.7	10,835.0	22,697.6
3 Profit from operations before other income, finance costs and exceptional items (1-2)	403.7	531.7	272.6	935.4	664.9	1,481.5
4 Other income	154.2	291.7	196.5	445.9	298.2	566.9
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	557.9	823.4	469.1	1,381.3	963.1	2,048.4
6 Finance cost	4.1	6.3	5.4	10.4	9.1	14.7
7 Profit from ordinary activities after finance costs but before exceptional items (5+6)	553.8	817.1	463.7	1,370.9	954.0	2,033.7
8 Exceptional items - income	-	26.7	-	26.7	-	-
7 Profit from ordinary activities before tax (5-6)	553.8	843.8	463.7	1,397.6	954.0	2,033.7
8 Tax expense	196.3	292.0	126.4	488.3	268.6	531.5
9 Net profit from ordinary activities after tax (7-8)	357.5	551.8	337.3	909.3	685.4	1,502.2
10 Paid - up equity share capital (ordinary shares of Rs 10/- each)	466.6	466.6	466.6	466.6	466.6	466.6
11 Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year						7,996.6
12 Basic and diluted Earnings per share (of Rs. 10 each) (not annualised)	7.66	11.83	7.23	19.49	14.69	32.18

(Rs. Million, unless otherwise indicated)

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Unaudited Financial Results for the quarter and six months ended 30 September 2014

PART II

Particulars	Quarter ended			Year ended
	30 September 2014	30 June 2014	30 September 2013	31 March 2014

A PARTICULARS OF SHAREHOLDING

1 Public shareholding				
- Number of shares	12,615,979	12,615,979	12,615,979	12,615,979
- Percentage of shareholding	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
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	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%

B PARTICULARS OF INVESTOR COMPLAINTS

	Quarter ended 30 September 2014
Pending at the beginning of the quarter	-
Received during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	-

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Statement of Assets and Liabilities

(Rs. Million, unless otherwise indicated)

Particulars	As at 30 September		As at 31 March 2014 (Audited)
	2014	2013	
	(Unaudited)	(Unaudited)	
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	466.6	466.6	466.6
(b) Reserves and surplus	8,898.6	11,288.5	8,010.9
Sub total - Shareholders funds	9,365.2	11,755.1	8,477.5
2 Non-current liabilities			
(a) Deferred tax liabilities (net)	144.0	77.6	120.6
(b) Other long-term liabilities	155.8	203.5	143.0
(c) Long-term provisions	626.6	643.5	674.4
Sub total - Non-current liabilities	926.4	924.6	938.0
3 Current liabilities			
(a) Trade payables	5,002.9	5,396.5	4,926.5
(b) Other current liabilities	1,544.9	1,644.2	1,174.7
(c) Short-term provisions	917.0	1,019.7	4,872.2
Sub total - Current liabilities	7,464.8	8,060.4	10,973.4
TOTAL - EQUITY AND LIABILITIES	17,756.4	20,740.1	20,388.9
B ASSETS			
1 Non-current assets			
(a) Fixed assets	5,270.4	5,103.3	5,331.3
(b) Non-current investments	399.9	399.9	499.9
(c) Long term loans and advances	1,045.1	1,089.3	1,032.2
(d) Other non-current assets	-	-	18.0
Sub total - Non-current assets	6,715.4	6,592.5	6,881.4
2 Current assets			
(a) Current investments	2,654.6	5,427.3	5,786.3
(b) Inventories	3,908.9	3,581.8	3,242.1
(c) Trade receivables	2,866.9	2,968.5	3,075.5
(d) Cash and cash equivalents	605.7	856.6	722.1
(e) Short term loans and advances	559.4	620.0	513.5
(f) Other current assets	445.5	693.4	168.0
Sub total - Current assets	11,041.0	14,147.6	13,507.5
TOTAL - ASSETS	17,756.4	20,740.1	20,388.9

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**Segment wise Revenue, Results and Capital Employed
Unaudited Financial Results for the quarter and six months ended 30 September 2014**

(Rs. Million, unless otherwise indicated)

	Quarter ended			Year to date for six months ended		Year ended
	30 September 2014	30 June 2014	30 September 2013	30 September 2014	30 September 2013	31 March 2014
	(Unaudited)			(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue						
a) Coatings	5,814.7	6,136.8	5,526.5	11,951.5	11,033.2	23,242.9
b) Others	252.4	274.2	237.0	526.6	466.7	936.2
Total income from operations (net)	6,067.1	6,411.0	5,763.5	12,478.1	11,499.9	24,179.1
2 Segment Results [Profit before interest and tax from each segment]						
a) Coatings	400.7	529.8	259.9	930.5	664.2	1,472.9
b) Others	32.1	29.2	40.1	61.3	71.5	103.0
Total	432.8	559.0	300.0	991.8	735.7	1,575.9
Finance Cost	4.1	6.3	5.4	10.4	9.1	14.7
Other un-allocable income (net of un-allocable expenditure)	125.1	264.4	169.1	389.5	227.4	472.5
	553.8	817.1	463.7	1,370.9	954.0	2,033.7
Exceptional items - Income	-	26.7	-	26.7	-	-
Profit before tax	553.8	843.8	463.7	1,397.6	954.0	2,033.7
3 Capital Employed (Segment Assets - Segment Liabilities)				As at	As at	As at
				30 September 2014	30 September 2013	31 March 2014
a) Coatings				6,994.4	5,858.7	6,665.2
b) Others				718.2	615.4	644.9
Unallocated				1,652.6	5,281.0	1,167.4
Total				9,365.2	11,755.1	8,477.5

Note :

- Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other un-allocable items 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.

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Unaudited Financial Results for the quarter and six months ended 30 September 2014

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 7 November 2014.
2. The Statutory Auditors of the Company have reviewed the financial results for the quarter and six months ended 30 September 2014. 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.com/in.
3. During the quarter ended 30 June 2014, according to Schedule II of the Companies Act, 2013, the Company based on an internal evaluation had reassessed the remaining estimated useful life of fixed assets, with effect from 1 April 2014. Accordingly, the useful life of certain assets required a change from the previous estimates. Had the Company continued with the previously assessed useful lives, depreciation charge for the quarter and six months ended 30 September 2014 would have been lower by Rs. 3.9 million and Rs. 14.5 million respectively and the Reserves and Surplus as on 30 September 2014 would have been higher by Rs. 14.5 million. Further, based on transitional provision provided in note no. 7 (b) of Schedule II, an amount of Rs. 21.2 million (net of deferred taxes) has been adjusted against retained earnings.
4. Consequent on receipt of provisional approval from authorities, the Company during the quarter ended 30 June 2014 had re-assessed the provision with regard to liability on Sales of Catalyst business and the net impact 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. Previous year/ period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current year/ period figures.

Mumbai
7 November 2014

Jayakumar Krishnaswamy
Managing Director

B S R & Associates LLP

Chartered Accountants

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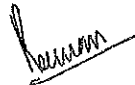
Review report to the Board of Directors of Akzo Nobel India Limited

- 1 We have reviewed the accompanying statement of un-audited financial results ('the Statement') of Akzo Nobel India Limited ('the Company') for the quarter and half year ended 30 September 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing agreement issued by the Securities and Exchange Board of India ("Listing Agreement"), except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
- 2 We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
- 3 Based on our review conducted as explained in paras 1 and 2 above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Associates LLP

Chartered Accountants

Firm Registration Number: 116231W / W-100024



Rakesh Dewan

Partner

Membership number: 092212

Place: Mumbai

Date: 7 November 2014