

Akzo Nobel India Limited



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7 November 2014

The Secretary
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai – 400 051
Fax # 022 26598237/8

Dear Sir,

Un-audited Financial Results

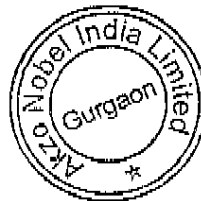
This is to inform you that the Board of Directors of Akzo Nobel India Limited in its meeting held today has approved the Un-audited Financial Results of the Company for the quarter ended 30 September 2014.

Copy of the Un-audited Financial Results and the Press Release issued by the Company today are attached herewith.

Yours faithfully,
For Akzo Nobel India Limited

R Guha
Company Secretary
Camp: Bombay

Encl: as above.



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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**

(Rs. Million, unless otherwise indicated)

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	5,849.5	12,206.2	11,285.0	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	5,963.5	12,478.1	11,499.9	24,179.1
2	Expenses						
	(a) Cost of materials consumed	3,377.20	3,081.6	3,002.8	6,458.8	5,797.1	11,728.5
	(b) Purchase of stock-in-trade	610.9	505.7	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	(389.0)	(505.1)	(429.1)	(148.1)
	(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	280.2	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	6,663.4	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	568.9
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
9	Tax expense	196.3	292.0	126.4	488.3	288.6	531.5
9	Net profit from ordinary activities after tax (7-8)	357.5	551.8	337.3	909.3	665.4	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						7,998.6
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

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Akzo Nobel India LimitedRegistered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071Unaudited Financial Results for the quarter and six months ended 30 September 2014**PART II****PARTICULARS****Quarter ended**
30 September 2014 **30 June 2014** **30 September 2013****Year ended**
31 March 2014**A PARTICULARS OF SHAREHOLDING****1 Public shareholding**

- Number of shares
- Percentage of shareholding

12,615,979	12,615,979	12,615,979	12,615,979
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)

-	-	-	-
-	-	-	-
-	-	-	-
34,044,335	34,044,335	34,044,335	34,044,335
100%	100%	100%	100%
72.96%	72.96%	72.96%	72.96%

b) Non-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 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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Akzo Nobel India LimitedRegistered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071**Statement of Assets and Liabilities**

(Rs. Million, unless otherwise indicated)

Particulars	As at 30 September		As at 31 March 2014 (Audited)
	2014 (Unaudited)	2013 (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	683.4	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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Akzo Nobel India Limited**Registered Office : Geetanjali Apartment, 1st Floor, 8-B, Middleton Street, Kolkata -700071****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	5,528.5	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	5,765.5	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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Akzo Nobel India Limited
Registered Office: Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata - 700 071

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

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B S R & Associates LLP

Chartered Accountants

DLF Cyber City, Phase - II
Gurgaon - 122 002, India

Toll-free: 91 124 2540 181

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

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Akzo Nobel India Limited



Press Release

Operating profit up 48% in Q2 FY15

Q2 FY 2014 - 2015**Total revenue at 608 crore rupees; up by 5%****Operating profit at 40 crore rupees; up by 48%****Mumbai, November 7, 2014:**

Today, the Board of Directors of AkzoNobel India Limited approved the unaudited financial results for the quarter ended September 30, 2014.

Performance highlights**AkzoNobel India Limited (Q2 FY15 versus Q2 FY14)**

- ✓ **Total revenue at 608 crore rupees** as compared to **576 crore rupees** of the corresponding quarter of the previous year; a **QoQ growth of 5%**
- ✓ **Operating Profit at 40 crore rupees** as compared to **27 crore rupees** of the corresponding quarter of the previous year; a **QoQ growth of 48%**
- ✓ **Profit after tax (PAT) at 36 crore rupees** as compared to **34 crore rupees** of the corresponding quarter of the previous year; a **QoQ growth of 6%**.

AkzoNobel India Limited (H1 FY15 versus H1 FY14)

- ✓ **Total revenue at 1249 crore rupees** as compared to **1150 crore rupees** of the corresponding half of the previous year; a **growth of 9%**
- ✓ **Operating Profit at 94 crore rupees** as compared to **66 crore rupees** of the corresponding half of the previous year; a **growth of 41%**
- ✓ **Profit after tax (PAT) at 91 crore rupees** as compared to **69 crore rupees** of the corresponding half of the previous year; a **growth of 33%**.

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Comments

Jayakumar Krishnaswamy, Managing Director, AkzoNobel India:

*"This quarter has seen us invigorating the space of home décor with innovative tools designed to give consumers access to colour choice and selection. The advanced augmented reality technology in the **Dulux Visualizer app** uses environmental tracking and allows the user to save the output as a video or picture; thereby making it easier to compare and contrast wall colours. Similarly, **ColourFutures™2015**, which is AkzoNobel's global trend forecasting study, has recently been released in India and will provide consumers with colour palettes to accentuate the style quotient of their homes."*

*"Dulux, the leading decorative paints brand in India, has recently been conferred the title of a '**Superbrand**' by the Superbrands Council."*

"Our protective coatings business is seeing an upsurge in customer orders, thereby indicating a continuously improving performance of the Industrial coatings segment, this year."

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 1900.

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:

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Country Communications, AkzoNobel India: Humsa Dhir, humsa.dhir@akzonobel.com; +91-124-4852538

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.