AkzoNobel

13 May 2016

The Secretary
Bombay Stock Exchange Ltd.
Market Operations Department
1st floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai - 400 001

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

Dear Sir,

Audited Financial Results for the year ended 31 March 2016

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 2016.

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

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20th Floor, DLF Cyber City, Phase III
Gurgaon - 122 002
Haryana, India

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Registered Office : Geetanjali Apartment, 1st Floor, 8B Middleton Street, Kolkata - 700 071 CIN: L24292WB1954PLC021516

Press Release

AkzoNobel India announces full-year results for 2015-16

Total revenue at ₹2740 crore; up 8%

Operating profit at ₹251 crore; up 20%

Gurgaon, May 13, 2016:

Today, the Board of Directors of Akzo Nobel India Limited approved the audited financial results for the quarter and year ended March 31, 2016.

Performance highlights:

Quarter ended 31 March 2016

- **Total revenue** from operation is at ₹677 crore as compared to ₹592 crore of the previous year – growth of 14%
- **Profit from operations** is at ₹73 crore as compared to ₹48 crore of the previous year – growth of 52%
- **Profit after tax (PAT) is** at ₹53 crore as compared to ₹45 crore of the previous year – growth of 18%

Year ended 31 March 2016

- **Total revenue** from operation is at ₹2740 crore as compared to ₹2527 crore of the previous year – growth of 8%
- **Profit from operations** is at ₹251 crore as compared to ₹209 crore of the previous year – growth of 20%
- **Profit after tax (PAT) is** at ₹202 crore as compared to ₹186 crore of the previous year – growth of 8%

Comments:

Nihal Kaviratne CBE, Chairman, AkzoNobel India:

"2015-16 has been a successful year for AkzoNobel India with the company achieving robust revenue

and profit growth. To mark our fifth year anniversary as a merged entity, it gives me immense pleasure to announce that the board has recommended a special dividend of INR 50 in addition to the normal dividend of INR 20 per share. This is in line with the company's philosophy of sharing the benefits of its performance and growth with its shareholders on a continual basis."

Jayakumar Krishnaswamy, Managing Director, AkzoNobel India:

"In a challenging environment, we saw growth momentum picking up in the latter half of the year. Q4 was strongest with a revenue growth of 14% and profit from operations growing by 52% over last year. The company posted revenue and operating profit growth of 8% and 20% respectively for FY 2015-16."

"We were able to leverage our principal strengths of essential ingredients, essential protection and essential colour across our businesses to etch out a robust footing for our business as we proceed into a new financial year. Improving resource utilisation and driving the sustainability agenda have been the cornerstone of our endeavours, running through all the stages of our business."

About AkzoNobel India:

AkzoNobel creates everyday essentials to make people's lives more liveable and inspiring. As a leading global paints and coatings company and a major producer of specialty chemicals, we supply essential ingredients, essential protection and essential colour to industries and consumers worldwide. Backed by a pioneering heritage, our innovative products and sustainable technologies are designed to meet the growing demands of our fast-changing planet, while making life easier. Consistently ranked as a leader in sustainability, we are dedicated to energizing cities and communities while creating a protected, colourful world where life is improved by what we do.

AkzoNobel India has been present in India for over 60 years and is a significant player in the paints industry. In 2008, the company became a member of the AkzoNobel Group. Our portfolio includes well-known brands such as Dulux, Sikkens, International and Interpon. With employee strength of 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:

Investor Relations, AkzoNobel India: R Guha, investor.india@akzonobel.com; +91-124-2540400
Corporate Communications, AkzoNobel India: Joya Ahluwalia, joya.ahluwalia@akzonobel.com; +91-124-4852511

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 : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071
CIN: L24292WB1954PLC021516
Statement of Financial Results for the quarter and year ended 31 March 2016

(Rs. Millions)

	Particulars	Quarter ended			Year ended	Previous year ended
		31 March 2016	31 December 2015	31 March 2015	31 March 2016	31 March 2015
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	**Income from operations**					
	(a) Net sales (net of excise duty)	6,624.5	7,333.8	5,777.6	26,831.0	24,697.9
	(b) Other operating income	147.1	146.9	144.0	570.4	572.0
	Total income from operations (net)	**6,771.6**	**7,480.7**	**5,921.6**	**27,401.4**	**25,269.9**
2	**Expenses**					
	(a) Cost of materials consumed	3,141.0	2,650.2	2,815.6	11,936.2	11,969.5
	(b) Purchase of stock-in-trade	875.7	635.2	593.0	2,666.8	2,219.0
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(501.8)	744.3	(273.4)	84.4	(125.5)
	(d) Employee benefits expense	538.6	622.9	575.0	2,308.2	2,057.7
	(e) Depreciation and amortisation expense	132.5	135.1	137.1	534.8	525.9
	(f) Other expenses	1,859.6	1,972.6	1,596.5	7,357.3	6,534.9
	Total expenses	**6,045.6**	**6,760.3**	**5,443.8**	**24,887.7**	**23,181.5**
3	**Profit from operations before other income, finance costs and exceptional item (1-2)**	**726.0**	**720.4**	**477.8**	**2,513.7**	**2,088.4**
4	Other income	90.4	85.5	136.3	399.2	650.0
5	**Profit from ordinary activities before finance costs and exceptional item (3+4)**	**816.4**	**805.9**	**614.1**	**2,912.9**	**2,738.4**
6	Finance costs	3.4	2.5	1.5	12.6	14.9
7	**Profit from ordinary activities after finance costs but before exceptional Item (5-6)**	**813.0**	**803.4**	**612.6**	**2,900.3**	**2,723.5**
8	Exceptional item	-	99.0	-	99.0	26.7
9	**Profit from ordinary activities before tax (7+8)**	**813.0**	**902.4**	**612.6**	**2,999.3**	**2,750.2**
10	Tax expense	287.3	270.0	166.2	978.3	887.1
11	**Net profit from ordinary activities after tax (9-10)**	**525.7**	**632.4**	**446.4**	**2,021.0**	**1,863.1**
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				6,808.0	8,719.0
14	**Basic and diluted earnings per share (of Rs. 10 each) (not annualised)**					
	Before exceptional item	**11.3**	**12.1**	**9.6**	**41.9**	**39.5**
	After exceptional item	**11.3**	**13.6**	**9.6**	**43.3**	**39.9**

Akzo Nobel India Limited Gurgaon

Akzo Nobel India Limited

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Statement of Assets and Liabilities

(Rs. Millions)

Particulars	As at 31 March 2016 (Audited)	As at 31 March 2015 (Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	466.6	466.6
(b) Reserves and surplus	6,822.9	8,733.1
Sub total - Shareholders' funds	**7,289.5**	**9,199.7**
2 Non-current liabilities		
(a) Deferred tax liabilities (net)	138.1	109.1
(b) Other long-term liabilities	170.9	160.8
(c) Long-term provisions	468.8	602.3
Sub total - Non-current liabilities	**777.8**	**872.2**
3 Current liabilities		
(a) Trade payables	5,919.9	4,590.1
(b) Other current liabilities	1,422.7	1,149.4
(c) Short-term provisions	4,779.0	2,179.9
Sub total - Current liabilities	**12,121.6**	**7,919.4**
TOTAL - EQUITY AND LIABILITIES	**20,188.9**	**17,991.3**
B ASSETS		
1 Non-current assets		
(a) Fixed assets	5,296.6	5,283.5
(b) Non-current investments	408.2	499.9
(c) Long-term loans and advances	1,213.2	1,075.1
(d) Other non-current assets	5.0	5.0
Sub total - Non-current assets	**6,923.0**	**6,863.5**
2 Current assets		
(a) Current investments	5,050.5	3,444.1
(b) Inventories	3,593.1	3,646.6
(c) Trade receivables	3,179.3	2,784.4
(d) Cash and cash equivalents	550.4	600.5
(e) Short-term loans and advances	643.5	516.0
(f) Other current assets	249.1	136.2
Sub total - Current assets	**13,265.9**	**11,127.8**
TOTAL - ASSETS	**20,188.9**	**17,991.3**

Akzo Nobel India Limited Gurgaon

Akzo Nobel India Limited

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Segment wise Revenue, Results and Capital Employed
Statement of Financial Results for the quarter and year ended 31 March 2016

(Rs. Millions)

	Quarter ended			Year ended	Year ended
	31 March 2016	31 December 2015	31 March 2015	31 March 2016	31 March 2015
	(Unaudited)			(Audited)	(Audited)
1 Segment revenue					
a) Coatings	6,245.9	6,984.6	5,634.6	25,553.9	24,152.7
b) Others	525.7	496.1	287.0	1,847.5	1,117.2
Total income from operations (net)	**6,771.6**	**7,480.7**	**5,921.6**	**27,401.4**	**25,269.9**
2 Segment results [profit before interest and tax from each segment]					
a) Coatings	729.2	697.7	499.6	2,499.3	2,110.8
b) Others	49.3	49.8	53.9	152.0	129.5
Total	778.5	747.5	553.5	2,651.3	2,240.3
Less: Finance cost	3.4	2.5	1.5	12.6	14.9
Add: Other un-allocable income (net of un-allocable expenditure)	37.9	58.4	60.6	261.6	498.1
	813.0	803.4	612.6	2,900.3	2,723.5
Exceptional item	-	99.0	-	99.0	26.7
Profit before tax	**813.0**	**902.4**	**612.6**	**2,999.3**	**2,750.2**

	As at 31 March 2016	As at 31 March 2015
3 Capital employed (segment assets - segment liabilities)		
a) Coatings	5,751.7	6,813.1
b) Others	298.3	525.9
Unallocated	1,239.5	1,860.7
Total	**7,289.5**	**9,199.7**

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 Gurgaon

Akzo Nobel India Limited
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Audited Financial Results for the quarter and year ended 31 March 2016

Notes:

1. The audited financial results have been reviewed and recommended by the audit committee and approved by the Board of Directors in their meeting held on 13 May 2016. The figures of the last quarter ended 31 March 2016 and 31 March 2015 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year and have not been separately audited.

2. During the year, basis approvals from the authorities and final agreements with the purchaser, the Company has completed its 2002 divestment of Catalyst Business. Accordingly, the legal ownership of leasehold rights relating to land, building and other assets have been transferred to the purchaser. The adjustment of provisions relating to the divestment of the business has been disclosed as an exceptional item. Based on an expert opinion, the Company has considered the original year of business transfer for determination of tax liability.

3. The Board of Directors has recommended a dividend of Rs. 20.00 per share for the year ended 31 March 2016 (previous year: Rs. 20.00 per share). In addition, the Board has also recommended a special dividend of Rs. 50.00 per share. The dividend will be paid after the approval of the shareholders at the forthcoming Annual General Meeting.

4. Previous year/ period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current year/ period figures.

Gurgaon
13 May 2016

Jayakumar Krishnaswamy
Managing Director

Akzo Nobel India Limited
Gurgaon

B S R & Associates LLP
Chartered Accountants

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DLF Cyber City, Phase - II
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Independent Auditor's Report on the Statement of Standalone Financial Results of Akzo Nobel India Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
Akzo Nobel India Limited

1. We have audited the accompanying Statement of financial results ('Statement') of Akzo Nobel India Limited ('the Company') for the year ended 31 March 2016, 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. This Statement has been prepared on the basis of annual financial statements, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company. 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 accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are 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 significant estimates made by management. 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 2016 and the corresponding quarter ended in the previous year as reported in the Statement 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 ended 31 December 2015 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, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

   (ii) give a true and fair view of the profit and other financial information for the year ended 31 March 2016.

For **B S R & Associate LLP**
Chartered Accountants
Firm Registration No.: 116231W/ W- 100024

Rakesh Dewan
Partner
Membership No.: 092212

Place: Gurgaon
Date : 13 May 2016