

03 May 2019

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 - 400051

Dear Sir,

Outcome of Board Meeting held on 03 May 2019

The Board of Directors of Akzo Nobel India Limited, at its meeting held today, has considered and resolved as follows:

- 1. Financial Results:** Approved the Financial Results of the Company for the quarter and year ended March 31, 2019. Copy of the Financial Results and the Press Release issued by the Company today are enclosed herewith.
- 2. Dividend:** Recommended dividend of Rs 24/- (Rupees twenty four only) per equity share for the financial year 2018-19. This dividend will become due and payable after approval at the Annual General Meeting.
- 3. Annual General Meeting and Book Closure:** Details will be notified in due course.

The meeting ended at 7:30 pm.

Yours faithfully
for Akzo Nobel India Limited


R Guha
Company Secretary

Encl: as above

Akzo Nobel India Limited

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

CIN: L24292WB1954PLC021516

Statement of standalone financial results for the quarter and twelve months ended 31 March 2019 and 31 March 2018

(Rs. in Million)

Particulars	Quarter ended			For the year ended	
	31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
	Refer Note 2	(Unaudited)	Refer Note 2	(Audited)	(Audited)
1 Income from operations					
(a) Revenue from operations*	7,055.8	7,832.8	7,004.1	29,183.5	27,928.4
(b) Other Income	152.1	97.9	127.7	422.2	437.9
Total income from continuing operations	7,207.9	7,930.7	7,131.8	29,605.7	28,366.3
2 Expenses					
(a) Cost of materials consumed	3,903.9	3,527.0	3,899.4	14,990.0	13,208.4
(b) Purchase of stock-in-trade	605.3	465.4	534.7	2,065.3	1,808.0
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(463.7)	663.2	(414.1)	(143.8)	244.5
(d) Excise Duty	-	-	-	-	734.9
(e) Employee benefits expense	598.6	627.8	811.8	2,650.4	2,763.2
(f) Finance Costs	7.6	23.3	16.5	44.5	35.0
(g) Depreciation and amortisation expense	184.8	165.0	150.6	651.6	582.2
(h) Other expenses	1,376.9	1,537.7	1,473.3	6,198.6	6,178.0
Total expenses of continuing operations	6,213.4	7,009.4	6,471.6	26,456.6	25,554.2
3 Profit from continuing operations before exceptional items and tax(1-2)	994.5	921.3	660.2	3,149.1	2,812.1
4 Exceptional Items - Income	-	2.0	-	6.5	20.0
5 Profit before tax from continuing operations (3+4)	994.5	923.3	660.2	3,155.6	2,832.1
6 Tax expense					
(a) Current Tax (Net)	296.0	327.2	201.3	1,098.0	758.3
(b) Deferred Tax	(4.9)	(7.7)	(2.8)	(52.2)	16.7
7 Profit for the period from continuing operations (5-6)	703.4	603.8	461.7	2,109.8	2,057.1
8 Profit from discontinued operations (Refer Note 7)					
Profit before tax	-	-	93.3	-	148.5
Tax expense	-	-	39.3	-	62.0
Profit after tax	-	-	54.0	-	86.5
Profit on sale of chemicals business	-	-	2,442.0	-	2,442.0
Tax expense	-	-	579.6	-	579.6
Profit after tax from sale of chemicals business	-	-	1,862.4	-	1,862.4
Profit for the period from discontinued operation	-	-	1,916.4	-	1,948.9
9 Profit before tax for the period from continuing and discontinued operations	994.5	923.3	3,195.5	3,155.6	5,422.6
Tax expenses	291.1	319.5	817.4	1,045.8	1,416.6
Profit for the period from continuing and discontinued operations	703.4	603.8	2,378.1	2,109.8	4,006.0
10 Other comprehensive (expense)/income, net of income tax from continuing operations					
(A) (i) Items that will not be reclassified to profit or loss	(86.2)	(15.4)	6.2	(110.2)	62.9
(ii) Income tax relating to items that will not be reclassified to profit or loss	29.5	5.4	(2.2)	37.9	(21.8)
(B) (i) Changes in fair value of FVOCI equity instruments	1.8	-	-	1.8	-
(ii) Income tax relating to fair value of equity instruments	(0.6)	-	-	(0.6)	-
(C) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
11 Other comprehensive (expense)/income, net of income tax from discontinued operations					
(A) (i) Items that will not be reclassified to profit or loss	-	-	(5.5)	-	2.8
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	1.9	-	(1.0)
(B) (i) Items that will be reclassified to profit or loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
12 Total comprehensive income for the period	647.9	593.8	2,378.5	2,038.7	4,048.9
(i) arising from continuing operations	647.9	593.8	465.7	2,038.7	2,098.2
(ii) arising from discontinued operations	-	-	1,912.8	-	1,950.7
13 Paid - up equity share capital (Shares of Rs 10 each)	455.4	455.4	466.6	455.4	466.6
14 Earnings per share (of Rs. 10 each) (not annualised) from continuing and discontinued operations:					
(a) Basic	15.45	13.26	50.97	45.96	85.85
(b) Diluted	15.45	13.26	50.97	45.96	85.85
Earnings per share (of Rs. 10 each) (not annualised) from continuing operations:					
(a) Basic	15.45	13.26	9.89	45.96	44.08
(b) Diluted	15.45	13.26	9.89	45.96	44.08
Earnings per share (of Rs. 10 each) (not annualised) from discontinued operations:					
(a) Basic	-	-	41.08	-	41.77
(b) Diluted	-	-	41.08	-	41.77

* promotional expenses of Rs 143 Mn have been reclassified from 'Other expenses' and netted off from 'Revenue from operations' for the quarter and year ended 31 March 2019

Akzo Nobel India Limited

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Segment wise Revenue, Results, Assets & Liabilities and Capital Employed

(Rs. in Million)

Particulars	Quarter ended			For the year ended	
	31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
	Refer Note 2	(Unaudited)	Refer Note 2	(Audited)	(Audited)
1 Segment Revenue (including other operating revenue)					
a) Coatings	7,055.8	7,832.8	7,041.2	29,183.5	28,067.2
b) Others - Discontinued Operations	-	-	725.9	-	2,536.8
Inter - segment elimination : Continued operations	-	-	(37.1)	-	(138.8)
Inter - segment elimination : Discontinued operations	-	-	(7.6)	-	(48.0)
Total	7,055.8	7,832.8	7,722.4	29,183.5	30,417.2
2 Segment Results [Profit before finance cost, exceptional items and tax from each segment]					
a) Coatings	1,002.1	944.6	553.9	3,193.6	2,493.0
b) Discontinued Operations	-	-	100.0	-	195.6
Total	1,002.1	944.6	653.9	3,193.6	2,688.6
Finance Cost	(7.6)	(23.3)	(16.5)	(44.5)	(35.0)
Other un-allocable income (net of un-allocable expenditure)	-	-	116.1	-	307.0
Exceptional items - Income	-	2.0	-	6.5	20.0
Profit on sale of chemicals business	-	-	2,442.0	-	2,442.0
Profit before tax	994.5	923.3	3,195.5	3,155.6	5,422.6
3 (a) Segment Assets					
a) Coatings	20,970.9	19,884.8	16,188.0		
b) Discontinued Operations	-	-	-		
c) Unallocated	-	-	6,125.1		
Total	20,970.9	19,884.8	22,313.1		
(b) Segment Liabilities					
a) Coatings	9,615.3	9,177.5	8,474.6		
b) Discontinued Operations	-	-	-		
c) Unallocated	-	-	936.4		
Total	9,615.3	9,177.5	9,411.0		
(c) Capital Employed (Segment Assets - Segment Liabilities)					
a) Coatings	11,355.6	10,707.3	7,713.4		
b) Discontinued Operations	-	-	-		
c) Unallocated	-	-	5,188.7		
Total	11,355.6	10,707.3	12,902.1		

Note :

(a) Segment Revenue, Results, Assets, Liabilities 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 upto March 2018. "Unallocated" in Capital employed includes un-allocable corporate assets, liabilities and investments upto 31 March 2018.

(b) After the conclusion of the sale transaction of speciality chemicals business during the quarter ended 31 March 2018, the Company has only one segment viz. "Coatings." Accordingly for comparative purposes, the Company has made disclosures under 'Coatings' for the quarters ended 31 December 2018 and 31 March 2019 and year ended 31 March 2019.

Akzo Nobel India Limited

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Standalone statement of Assets and Liabilities as at 31 March 2019

(Rs. Million)

Particulars	As at 31 March 2019	As at 31 March 2018
	(Audited)	(Audited)
A ASSETS		
1 Non-current assets		
(a) Property, plant & equipment	5,214.4	5,287.6
(b) Capital work-in-progress	169.1	267.6
(c) Intangible assets	86.9	100.9
(d) Financial assets		
(i) Investments	777.9	717.1
(ii) Other bank balances	- 5.6	6.0
(iii) Loans	70.1	81.1
(e) Deferred tax assets	31.0	-
(f) Other non-current assets	522.1	559.2
Total non-current assets	6,877.1	7,019.5
2 Current assets		
(a) Inventories	3,918.9	3,508.3
(b) Financial assets		
(i) Investments	2,994.6	5,015.8
(ii) Trade receivables	4,440.0	3,953.1
(iii) Cash & cash equivalents	324.1	662.3
(iv) Bank balances other than (iii) above	291.9	179.3
(v) Loans	37.1	10.5
(vi) Other financial assets	66.3	168.5
(c) Other current assets	1,346.1	1,328.7
(d) Current tax assets (net)	674.8	467.1
Total current assets	14,093.8	15,293.6
Total Assets	20,970.9	22,313.1
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	455.5	466.6
(b) Other Equity	10,900.1	12,435.5
Total equity	11,355.6	12,902.1
Liabilities		
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	29.3	29.3
(ii) Other financial liabilities (other than those specified in item (i) above)	142.4	144.0
(b) Provisions	578.7	446.0
(c) Deferred tax liabilities (Net)	-	57.9
(d) Other non-current liabilities	20.5	47.0
Total non-current liabilities	770.9	724.2
3 Current liabilities		
(a) Financial Liabilities		
(i) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	34.8	66.5
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,028.3	6,577.0
(ii) Other financial liabilities (other than those specified in item (i) above)	920.6	818.0
(b) Provisions	314.3	323.3
(c) Other current liabilities	1,546.4	902.0
Total current liabilities	8,844.4	8,686.8
Total liabilities	9,615.3	9,411.0
Total equity and liabilities	20,970.9	22,313.1

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

Audited Financial Results (Standalone) for the quarter and year ended 31 March 2019

Notes:

1. The audited financial results (standalone) have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 3 May 2019.
2. The figures of the quarter ended 31 Mar 2019 and 31 Mar 2018 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 years.
3. The Board of Directors have recommended a dividend of Rs. 24 per share for the year ended 31 March 2019 (previous year Rs. 22 per share). The Dividend will be paid if approved by the shareholders at the forthcoming Annual General Meeting.
4. Exceptional items reported during the year ended 31 March 2019 and previous period represent write back of provisions no longer required relating to divested business. Profit from sale of Specialty Chemicals business has been disclosed as part of discontinued operation in the previous year ending 31 March 2018.
5. The auditors have expressed an unmodified opinion on the Audited Standalone Financial Statements of the Company for the financial year ended 31 Mar 2019 in terms of second proviso to Regulation 33(3)(d) of the Listing Regulations.
6. In accordance with Ind AS 18 on Revenue and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the year ended 31 March 2018 is reported inclusive of Excise Duty. Consequent to the implementation of the Goods and Service Tax ("GST") w.e.f. 1 July 2017, Excise Duty, VAT, Service Tax and various other Indirect Taxes have been subsumed into GST. As per Ind AS 18, revenue for the quarters ended 31 March 2018, 31 December 2018, 31 March 2019 and revenue for the year ended 31 March 2019 are reported net of GST. Had the previously reported revenues been shown net of Excise Duty, the comparative revenue would have been as under-

(Rs in Million)

Particulars	Quarter ended			Year ended	
	31 March 2019	31 December 2018	31 March 2018	31 March 2019	31 March 2018
Revenue from continuing operations	7,055.8	7,832.8	7,004.1	29,183.5	27,928.4
Excise Duty	-	-	-	-	734.9
Revenue from continuing operations net of excise duty	7,055.8	7,832.8	7,004.1	29,183.5	27,193.5
Revenue from discontinued operations	-	-	718.3	-	2,488.8
Excise Duty	-	-	-	-	28.7
Revenue from discontinued operations net of excise duty	-	-	718.3	-	2,460.1

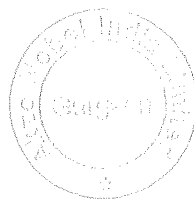
7. The shareholders of Akzo Nobel India Limited have approved on 18 December 2017 through postal ballot the sale of Company's Specialty Chemicals Business as a going concern to an affiliate of the Akzo Nobel Group. The Company has classified this business as discontinued operations in each of the previous periods presented as follows:

(Rs in Million)		
Particulars	Quarter ended 31 March 2018	Year ended 31 March 2018
Total income from operations	718.3	2,488.8
Total expenses	625.0	2,340.3
Profit before income tax	93.3	148.5
Income tax expense	39.3	62.0
Profit after tax	54.0	86.5
Profit on sale of Specialty chemicals business	2,442.0	2,442.0
Tax expense	579.6	579.6
Profit after tax from sale of Specialty chemicals business	1,862.4	1,862.4
Profit for the period from discontinued operations	1,916.4	1,948.9

8. During the year ended 31 March 2019, the Company made certain changes in the assumptions relating to actuarial valuation to reflect changes in macro-economic and other relevant factors. Other comprehensive income for the year ended 31 March 2019 reflect the impact of this change.
9. The buyback of shares has been closed on 26 July 2018 after obtaining requisite approvals. Under the said programme, 1,120,000 shares of Rs. 10 each were bought back at Rs. 2,100 per share and extinguished, resulting in reduction in paid up share capital by Rs. 11.2 million and other equity by Rs. 2,366.0 million.
10. Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective transition method which is applied to contracts that were not completed before 31 March 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
11. Previous period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current period figures.

Gurugram
3 May 2019

[Signature]



[Signature]
Rajiv Rajgopal
Managing Director

Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Akzo Nobel India Limited

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Akzo Nobel India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

INDEPENDENT AUDITORS' REPORT

To the Members of Akzo Nobel India Limited
Report on the audit of the Standalone Financial Statements
Page 2 of 5

Key Audit Matter

5. Key audit matter is that matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Description of the Key Audit matter	How our audit addressed the key audit matter
<p>Assessment of ongoing income tax and indirect tax litigations</p> <p>[Refer to Note 26 (b) (Contingent liabilities), Note 9.1 [Current tax assets(net)], Note 13 (Provisions), and 1(l) and 1(m) (Significant accounting policies) to the financial statements]</p> <p>As at 31 March 2019, the Company is subjected to a number of significant income tax litigations relating to disallowance of expenses, transfer pricing adjustments etc. and indirect tax litigations relating to taxable turnover, availability of statutory forms etc. (together referred to as "litigations"). These matters are in appeal before various judicial forums.</p> <p>The eventual outcome of these litigations is uncertain and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.</p> <p>Based on management judgement and the advice from external legal and tax consultants and considering the merits of the case, the Company has recognised provisions wherever required and for the balance matters, where the management expects favourable outcome, these litigations have been disclosed as contingent liabilities in the financial statements unless the possibility of outflow of resources is considered to be remote.</p> <p>Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.</p>	<p>Our procedures on the management's assessment of these matters included:</p> <ul style="list-style-type: none">• Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls;• Gaining an understanding of the tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to 31 March 2019;• Inspecting demand notices received from tax authorities and evaluating the Company's response to those matters;• Obtaining independent confirmations from the Company's external tax experts including the status of the significant litigations, their views regarding the likely outcome and magnitude of the potential exposure;• Evaluating the management's assessment on the likely outcome and potential magnitude by involving auditor's experts on complex or significant matters as considered necessary; and• Assessing the adequacy of the Company's disclosures. <p>We did not identify any significant exceptions to the management's assessment of the ongoing income tax and indirect tax litigations as a result of the above procedures.</p>



Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The management is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT

To the Members of Akzo Nobel India Limited
Report on the audit of the Standalone Financial Statements
Page 4 of 5

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 14(b) above that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.



INDEPENDENT AUDITORS' REPORT

To the Members of Akzo Nobel India Limited
Report on the audit of the Standalone Financial Statements
Page 5 of 5

- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26(a) and 26(b) to the standalone financial statements.
 - ii. The Company has long term contracts including derivative contracts as at 31 March 2019 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Anurag Khandelwal
Partner
Membership Number 078571

Place: Gurugram
Date: 3 May 2019

Akzo Nobel India Limited

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

CIN: L24292WB1954PLC021516

Consolidated statement of financial results for twelve months ended 31 March 2019 and 31 March 2018

Particulars	(Rs. in Million)	
	For the year ended	
	31 March 2019	31 March 2018
	(Audited)	(Audited)
1 Income from operations		
(a) Revenue from operations*	29,183.5	27,928.4
(b) Other Income	422.2	437.9
Total income from continuing operations	29,605.7	28,366.3
2 Expenses		
(a) Cost of materials consumed	14,989.6	13,208.4
(b) Purchase of stock-in-trade	2,065.0	1,808.2
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(143.8)	244.5
(d) Excise Duty	-	734.9
(e) Employee benefits expense	2,656.1	2,802.1
(f) Finance Costs	44.5	35.0
(g) Depreciation and amortisation expense	651.6	582.2
(h) Other expenses	6,193.4	6,143.6
Total expenses of continuing operations	26,456.4	25,558.9
3 Profit from continuing operations before exceptional items and tax(1-2)	3,149.3	2,807.4
4 Exceptional Items - Income	6.5	20.0
5 Profit before tax from continuing operations (3+4)	3,155.8	2,827.4
6 Tax expense		
(a) Current Tax (Net)	1,098.0	758.3
(b) Deferred Tax	(52.2)	16.7
7 Profit for the period from continuing operations (5-6)	2,110.0	2,052.4
8 Profit from discontinued operations (Refer Note 7)		
Profit before tax	-	148.5
Tax expense	-	62.0
Profit after tax	-	86.5
Profit on sale of chemicals business	-	2,442.0
Tax expense	-	579.6
Profit after tax from sale of chemicals business	-	1,862.4
Profit for the period from discontinued operation	-	1,948.9
9 Profit before tax for the period from continuing and discontinued operations	3,155.8	5,417.9
Tax expenses	1,045.8	1,416.6
Profit for the period from continuing and discontinued operations	2,110.0	4,001.3
10 Other comprehensive (expense)/income, net of income tax from continuing operations		
(A) (i) Items that will not be reclassified to profit or loss	(110.4)	67.6
(ii) Income tax relating to items that will not be reclassified to profit or loss	37.9	(21.8)
(B) (i) Changes in fair value of FVOCI equity instruments	1.8	-
(ii) Income tax relating to fair value of equity instruments	(0.6)	-
(C) (i) Items that will be reclassified to profit or loss	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
11 Other comprehensive (expense)/income, net of income tax from discontinued operations		
(A) (i) Items that will not be reclassified to profit or loss	-	2.8
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(1.0)
(B) (i) Items that will be reclassified to profit or loss	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
12 Total comprehensive income for the period	2,038.7	4,048.9
(i) arising from continuing operations	2,038.7	2,098.2
(ii) arising from discontinued operations	-	1,950.7
13 Paid - up equity share capital (Shares of Rs 10 each)	455.4	466.6
14 Earnings per share (of Rs. 10 each) (not annualised) from continuing and discontinued operations:		
(a) Basic	45.96	85.75
(b) Diluted	45.96	85.75
Earnings per share (of Rs. 10 each) (not annualised) from continuing operations:		
(a) Basic	45.96	43.98
(b) Diluted	45.96	43.98
Earnings per share (of Rs. 10 each) (not annualised) from discontinued operations:		
(a) Basic	-	41.77
(b) Diluted	-	41.77

promotional expenses of Rs 143 Mn have been reclassified from 'Other expenses' and netted off from 'Revenue from operations' for the quarter and year ended 31 March 2019

Akzo Nobel India Limited

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

CIN: L24292WB1954PLC021516

Consolidated Segment wise Revenue, Results, Assets & Liabilities and Capital Employed

(Rs. in Million)

Particulars	For the year ended	
	31 March 2019	31 March 2018
	(Audited)	(Audited)
1 Segment Revenue (including other operating revenue)		
a) Coatings	29,183.5	28,067.2
b) Discontinued Operations	-	2,536.8
Inter - segment elimination - Continued operations	-	(138.8)
Inter - segment elimination- Discontinued operations	-	(48.0)
Total	29,183.5	30,417.2
2 Segment Results [Profit before finance cost, exceptional items and tax from each segment]		
a) Coatings	3,193.8	2,493.1
b) Discontinued Operations	-	195.6
Total	3,193.8	2,688.7
Finance Cost	(44.5)	(35.0)
Other un-allocable income (net of un-allocable expenditure)	-	302.2
Exceptional items - Income	6.5	20.0
Profit on sale of chemicals business	-	2,442.0
Profit before tax	3,155.8	5,417.9
3 (a) Segment Assets		
a) Coatings	20,978.7	16,188.2
b) Discontinued Operations	-	-
c) Unallocated	-	6,137.6
Total	20,978.7	22,325.8
(b) Segment Liabilities		
a) Coatings	9,616.2	8,474.6
b) Discontinued Operations	-	-
c) Unallocated	-	942.2
Total	9,616.2	9,416.8
(c) Capital Employed (Segment Assets - Segment Liabilities)		
a) Coatings	11,362.5	7,713.6
b) Discontinued Operations	-	-
c) Unallocated	-	5,195.4
Total	11,362.5	12,909.0

(a) Segment Revenue, Results, Assets, Liabilities 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 upto March 2018. "Unallocated" in Capital employed includes un-allocable corporate assets, liabilities and investments upto 31 March 2018.

(b) After the conclusion of the sale transaction of speciality chemicals business during the quarter ended 31 March 2018, the Company has only one segment viz. "Coatings." Accordingly for comparative purposes, the Company has made disclosures under 'Coatings' for the year ended 31 March 2019.

Akzo Nobel India Limited

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

CIN: L24292WB1954PLC021516

Consolidated statement of Assets and Liabilities as at 31 March 2019

(Rs. Million)		
Particulars	As at 31 March 2019	As at 31 March 2018
	(Audited)	(Audited)
A ASSETS		
1 Non-current assets		
(a) Property, plant & equipment	5,214.4	5,287.7
(b) Capital work-in-progress	169.1	267.8
(c) Intangible assets	86.9	101.0
(d) Financial assets		
(i) Investments	777.9	717.4
(ii) Other bank balances	5.6	6.0
(iii) Loans	70.1	81.8
(e) Deferred tax assets	31.0	
(f) Other non-current assets	522.1	559.9
Total non-current assets	6,877.1	7,021.6
2 Current assets		
(a) Inventories	3,918.9	3,508.1
(b) Financial assets		
(i) Investments	2,994.6	5,015.9
(ii) Trade receivables	4,440.0	3,952.9
(iii) Cash & cash equivalents	332.9	688.8
(iv) Bank balances other than (iii) above	291.9	179.3
(v) Loans	37.1	10.3
(vi) Other financial assets	65.3	152.8
(c) Other current assets	1,346.1	1,329.0
(d) Current tax assets (net)	674.8	467.1
Total current assets	14,101.6	15,304.2
Total Assets	20,978.7	22,325.8
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	455.5	466.6
(b) Other Equity	10,907.0	12,442.4
Total equity	11,362.5	12,909.0
Liabilities		
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	29.3	29.3
(ii) Other financial liabilities (other than those specified in item (i) above)	142.4	144.0
(b) Provisions	579.2	447.5
(c) Deferred tax liabilities (Net)		57.9
(d) Other non-current liabilities	20.5	47.0
Total non-current liabilities	771.4	725.7
3 Current liabilities		
(a) Financial Liabilities		
(i) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	34.8	66.6
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,028.7	6,578.2
(ii) Other financial liabilities (other than those specified in item (i) above)	920.6	819.8
(b) Provisions	314.3	323.4
(c) Other current liabilities	1,546.4	903.1
Total current liabilities	8,844.8	8,691.1
Total liabilities	9,616.2	9,416.8
Total equity and liabilities	20,978.7	22,325.8

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

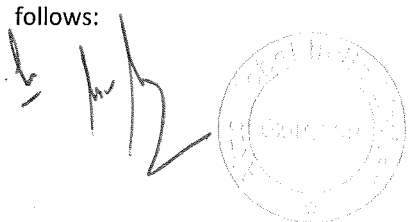
Audited Financial Results (Consolidated) for the quarter and year ended 31 March 2019

Notes:

1. The audited financial results (consolidated) have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 3 May 2019.
2. The figures of the year ended 31 Mar 2019 and 31 Mar 2018 are audited figures in respect of the full financial years by consolidating the figures of ICI India Research & Technology Centre as required under Indian Accounting Standards ("Ind AS") 110.
3. The Board of Directors have recommended a dividend of Rs. 24 per share for the year ended 31 March 2019 (previous year Rs. 22 per share). The Dividend will be paid if approved by the shareholders at the forthcoming Annual General Meeting.
4. Exceptional items reported during the year ended 31 March 2019 and previous period represent write back of provisions no longer required relating to divested business. Profit from sale of Specialty chemicals business has been disclosed as part of discontinued operation in the last year.
5. The auditors have expressed an unmodified opinion on the Audited Consolidated Financial Statements of the Company for the financial year ended 31 Mar 2019 in terms of second proviso to Regulation 33(3)(d) of the Listing Regulations.
6. In accordance with Ind AS 18 on Revenue and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the year ended 31 March 2018 has been reported inclusive of Excise Duty. Consequent to the implementation of the Goods and Service Tax ("GST") w.e.f. 1 July 2017, Excise Duty, VAT, Service Tax and various other Indirect Taxes have been subsumed into GST. As per Ind AS 18, revenue for the quarters ended 31 March 2018, 31 December 2018, 31 March 2019 and revenue for the year ended 31 March 2019 are reported net of GST. Had the previously reported revenues been shown net of Excise Duty, the comparative revenue would have been as under-

Particulars	(Rs in Million)	
	Year ended	
	31 March 2019	31 March 2018
Revenue from continuing operations	29,183.5	27,928.4
Excise Duty	-	734.9
Revenue from continuing operations net of excise duty	29,183.5	27,193.5
Revenue from discontinued operations	-	2,488.8
Excise Duty	-	28.7
Revenue from discontinued operations net of excise duty	-	2,460.1

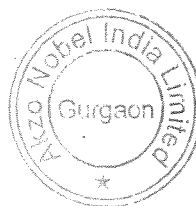
7. The shareholders of Akzo Nobel India Limited have approved on 18 December 2017 through postal ballot the sale of Company's Specialty Chemicals Business as a going concern to an affiliate of the Akzo Nobel Group. The Company has classified this business as discontinued operations in each of the previous periods presented as follows:



Particulars	Year ended 31 March 2018
Total income from operations	2,488.8
Total expenses	2,340.3
Profit before income tax	148.5
Income tax expense	62.0
Profit after tax	86.5
Profit on sale of Specialty chemicals business	2,442.0
Tax expense	579.6
Profit after tax from sale of Specialty chemicals business	1,862.4
Profit for the period from discontinued operations	1,948.9

8. During the year ended 31 March 2019, the Company made certain changes in the assumptions relating to actuarial valuation to reflect changes in macro-economic and other relevant factors. Other comprehensive income for the year ended 31 March 2019 reflect the impact of this change.
9. The buyback of shares has been closed on 26 July 2018 after obtaining requisite approvals. Under the said programme, 1,120,000 shares of Rs. 10 each were bought back at Rs. 2,100 per share and extinguished, resulting in reduction in paid up share capital by Rs. 11.2 million and other equity by Rs. 2,366.0 million.
10. Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective transition method which is applied to contracts that were not completed before 31 March 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
11. Previous period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current period figures.

Gurugram
3 May 2019




Rajiv Rajgopal
Managing Director

Price Waterhouse Chartered Accountants LLP

Independent Auditors' Report

To the Members of Akzo Nobel India Limited

Report on the audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Akzo Nobel India Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), (refer note 1(b) to the attached consolidated financial statements) which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and consolidated total comprehensive income (comprising profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

4. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City Gurgaon - 122 002
We have nothing to report on this, Refer (124) 4620620

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/IN500016 (ICAI registration number before conversion was 012754N)



INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited
Report on audit of the Consolidated Financial Statements
Page 2 of 6

Key Audit Matters

5. Key audit matters is that matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Description of the Key Audit matter	How our audit addressed the key audit matter
<p>Assessment of ongoing income tax and indirect tax litigations</p> <p>[Refer to Note 26 (b) (Contingent liabilities), Note 9.1 [Current tax assets(net)], Note 13 (Provisions), and 1(m) and 1(n) (Significant accounting policies) to the financial statements]</p> <p>As at 31 March 2019, the Holding Company is subjected to a number of significant income tax litigations relating to disallowance of expenses, transfer pricing adjustments etc. and indirect tax litigations relating to taxable turnover, availability of statutory forms etc. (together referred to as "litigations"). These matters are in appeal before various judicial forums.</p> <p>The eventual outcome of these litigations is uncertain and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.</p> <p>Based on management judgement and the advice from external legal and tax consultants and considering the merits of the case, the Holding Company has recognised provisions wherever required and for the balance matters, where the management expects favourable outcome, these litigations have been disclosed as contingent liabilities in the financial statements unless the possibility of outflow of resources is considered to be remote.</p> <p>Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.</p>	<p>Our procedures on the management's assessment of these matters included:</p> <ul style="list-style-type: none">• Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls;• Gaining an understanding of the tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to 31 March 2019;• Inspecting demand notices received from tax authorities and evaluating the Company's response to those matters;• Obtaining independent confirmations from the Holding Company's external tax experts including the status of the significant litigations, their views regarding the likely outcome and magnitude of the potential exposure;• Evaluating the management's assessment on the likely outcome and potential magnitude by involving auditor's experts on complex or significant matters as considered necessary; and• Assessing the adequacy of the Company's disclosures. <p>We did not identify any significant exceptions to the management's assessment of the ongoing income tax and indirect tax litigations as a result of the above procedures.</p>



INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited
Report on audit of the Consolidated Financial Statements
Page 3 of 6

Responsibilities of management and those charged with governance for the consolidated financial statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies are responsible for overseeing the financial reporting process of the Group.

Auditor's responsibilities for the audit of the consolidated financial statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited
Report on audit of the Consolidated Financial Statements
Page 4 of 6

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited
Report on audit of the Consolidated Financial Statements
Page 5 of 6

- (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiary included in the Group relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in Paragraph 14(b) above that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 26(a) and 26(b) to the consolidated financial statements.
 - ii. The Group had long term contracts including derivative contracts as at 31 March 2019 for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

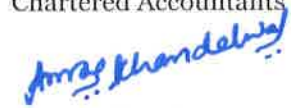


INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited
Report on audit of the Consolidated Financial Statements
Page 6 of 6

- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended 31 March 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Anurag Khandelwal
Partner
Membership Number 078571

Place: Gurugram
Date: 3 May 2019

Media release

Gurugram, May 3, 2019

Akzo Nobel India announces full year results for 2018-19

Today, the Board of Directors of Akzo Nobel India Limited approved the financial results for the quarter and year ended March 31, 2019.

Performance highlights

Q4 FY19

- Revenue from operations at ₹706 crores grew 3% over the previous year on a comparable basis
- Profit from operations at ₹99 crores grew 51% over the previous year

Note:

- a. Figures quoted relate to continuing operations
- b. Profit from operations relate to continuing operations before exceptional items and tax

Q4 FY19 versus Q4 FY18

- Revenue from operations at ₹ 706 crore witnessed a growth of 3% on a comparable basis
- Profit from operations at ₹ 99 crore grew 51%

FY19 versus FY18

- Revenue from operations at ₹ 2,918 crore grew 5% on a comparable basis
- Profit from operations at ₹ 315 crore grew 12%
- Profit after Tax at ₹ 211 crore grew 3%

Comments

Amit Jain, Chairman, AkzoNobel India:

- Our transformation plans for creating a more fit-for-purpose organization are on track and I am glad that the new management team is taking steps in the right direction to improve profitability as per company's strategy. Considering the performance of the company, the Board has recommended a higher dividend of ₹ 24 per share which will be paid after the approval of the shareholders.
- As part of 'AkzoNobel Cares' program, we are proud to care for communities. We launched E-Health clinics in Begur and six adjoining villages of Hoskote (Bengaluru rural district) to provide access to healthcare to more than 1500 residents. This project won AkzoNobel's Global 'Winning Together' Award.

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Rajiv Rajgopal, Managing Director, AkzoNobel India:

- We witnessed a strong growth in profitability led by improved product mix and effective cost management.
- The Company recently won the prestigious 'Golden Peacock Innovative Product Award' 2019 for its premium exterior paint - Dulux Weathershield Flash, a first of its kind offering in the exteriors paint category that combines the benefits of paint and primer.

About AkzoNobel:

AkzoNobel has a passion for paint. We're experts in the proud craft of making paints and coatings, setting the standard in color and protection since 1792. Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. Headquartered in the Netherlands, we are active in over 150 countries and employ around 35,000 talented people who are passionate about delivering the high performance products and services our customers expect.

About AkzoNobel India:

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. With employee strength of over 1,800, AkzoNobel India has manufacturing sites, offices and a distribution network spread across the country. All manufacturing facilities have a state-of-the art environmental management system. Its commitment to Health, Safety, Environment & Security (HSE&S) has been among the best in class globally, with due care being taken to protect the people and the environment.

Safe Harbour Statement:

This press release may contain statements which address such key issues as AkzoNobel'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.

Company Contacts

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