

**Akzo Nobel India Limited**

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

CIN: L24292WB1954PLC021516

**Statement of unaudited financial results for the quarter and nine months ended 31 December 2016 and 31 December 2015**

(Rs. Millions)

Particulars	Quarter ended			Year to date for	Year to date for
	31 December	30 September	31 December	nine months ended	nine months ended
	2016	2016	2015	31 December 2016	31 December 2015
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>1 Income from Operations</b>					
(a) Sales/Income from operations	8,063.5	7,515.0	7,910.9	23,327.7	22,028.7
(b) Other Operating Income	66.6	91.9	70.3	200.7	204.2
<b>Total income from operations</b>	<b>8,130.1</b>	<b>7,606.9</b>	<b>7,981.2</b>	<b>23,528.4</b>	<b>22,232.9</b>
<b>2 Expenses</b>					
(a) Cost of Materials consumed	2,742.1	3,399.4	2,688.7	9,321.9	8,925.4
(b) Purchase of stock-in-trade	549.3	713.4	613.8	2,186.8	1,792.3
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	859.5	(343.0)	766.7	327.4	586.2
(d) Excise Duty	823.8	731.9	825.2	2,313.3	2,223.7
(e) Employee benefits expense	592.4	671.4	631.5	1,866.6	1,794.5
(f) Depreciation and amortisation expense	133.1	134.1	135.4	397.5	403.1
(g) Other expenses	1,522.8	1,739.5	1,603.7	4,794.2	4,751.8
<b>Total expenses</b>	<b>7,223.0</b>	<b>7,046.7</b>	<b>7,265.0</b>	<b>21,207.7</b>	<b>20,477.0</b>
<b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>907.1</b>	<b>560.2</b>	<b>716.2</b>	<b>2,320.7</b>	<b>1,755.9</b>
4 Other Income	91.6	114.7	160.2	324.3	365.2
<b>5 Profit before finance costs and exceptional items (3+4)</b>	<b>998.7</b>	<b>674.9</b>	<b>876.4</b>	<b>2,645.0</b>	<b>2,121.1</b>
6 Finance Costs	8.8	4.2	4.2	19.0	14.5
<b>7 Profit after finance costs but before exceptional items (5-6)</b>	<b>989.9</b>	<b>670.7</b>	<b>872.2</b>	<b>2,626.0</b>	<b>2,106.6</b>
8 Exceptional Items - Income	-	-	99.0	-	99.0
<b>9 Profit before tax (7+8)</b>	<b>989.9</b>	<b>670.7</b>	<b>971.2</b>	<b>2,626.0</b>	<b>2,205.6</b>
10 Tax expense	304.2	254.8	262.5	881.8	678.3
<b>11 Net profit for the period (9-10)</b>	<b>685.7</b>	<b>415.9</b>	<b>708.7</b>	<b>1,744.2</b>	<b>1,527.3</b>
<b>12 Other comprehensive expense/(income), net of income tax</b>					
(a) Items that will not be reclassified to profit or loss	26.8	1.9	1.8	30.4	5.0
(b) Items that will be reclassified to profit or loss	-	-	-	-	-
<b>13 Total other comprehensive expense/(income), net of income tax</b>	<b>658.9</b>	<b>414.0</b>	<b>706.9</b>	<b>1,713.8</b>	<b>1,522.3</b>
14 Paid - up equity share capital (Shares of Rs 10/- each)	466.6	466.6	466.6	466.6	466.6
<b>15 Earnings per share (of Rs. 10 each) (not annualised) :</b>					
(a) Basic	14.70	8.91	15.19	37.38	32.73
(b) Diluted	14.70	8.91	15.19	37.38	32.73

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

(Rs. Millions)

Quarter ended			Year to date for nine months ended 31 December 2016	Year to date for nine months ended 31 December 2015
31 December 2016	30 September 2016	31 December 2015		
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

**1 Segment Revenue (including other operating income)**

a) Coatings	7,527.6	7,051.2	7,451.7	21,618.2	20,823.5
b) Others	602.5	555.7	529.5	1,910.2	1,409.4
<b>Total income from operations</b>	<b>8,130.1</b>	<b>7,606.9</b>	<b>7,981.2</b>	<b>23,528.4</b>	<b>22,232.9</b>

**2 Segment Results [Profit before interest and tax from each segment]**

a) Coatings	901.7	557.4	722.4	2,250.5	1,764.1
b) Others	24.4	38.6	50.1	143.7	102.9
<b>Total</b>	<b>926.1</b>	<b>596.0</b>	<b>772.5</b>	<b>2,394.2</b>	<b>1,867.0</b>
Finance Cost	8.8	4.2	4.2	19.0	14.5
Other un-allocable income (net of un-allocable expenditure)	72.6	78.9	103.9	250.8	254.1
	<b>989.9</b>	<b>670.7</b>	<b>872.2</b>	<b>2,626.0</b>	<b>2,106.6</b>
Exceptional items - Income	-	-	99.0	-	99.0
<b>Profit before tax</b>	<b>989.9</b>	<b>670.7</b>	<b>971.2</b>	<b>2,626.0</b>	<b>2,205.6</b>

**3 (a) Segment Assets**

As at 31 December 2016	As at 30 September 2016	As at 31 December 2015
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a) Coatings	13,183.5	15,509.5	13,338.9
b) Others	1,158.6	1,146.9	1,081.3
Unallocated	3,242.0	1,177.1	5,885.4
<b>Total</b>	<b>17,584.1</b>	<b>17,833.5</b>	<b>20,305.6</b>

**(b) Segment Liabilities**

a) Coatings	6,399.0	7,253.3	6,777.5
b) Others	559.4	572.2	474.2
Unallocated	1,308.4	1,319.4	2,201.2
<b>Total</b>	<b>8,266.8</b>	<b>9,144.9</b>	<b>9,452.9</b>

**(c) Capital Employed (Segment Assets - Segment Liabilities)**

a) Coatings	6,784.5	8,256.2	6,561.4
b) Others	599.2	574.7	607.1
Unallocated	1,933.6	(142.3)	3,684.2
<b>Total</b>	<b>9,317.3</b>	<b>8,688.6</b>	<b>10,852.7</b>

**Note :**

- 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. Exceptional items - Income is classified as unallocable

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

**Akzo Nobel India Limited**  
**Registered Office: Geetanjali Apartment, 1st Floor, 8B Middleton Street, Kolkata - 700 071**  
**CIN: L24292WB1954PLC021516**  
**Unaudited Financial Results for the quarter and nine months ended 31 December 2016 and 31 December 2015**

**Notes:**

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 31 January 2017.
2. The Statutory Auditor of the Company have reviewed the financial results for the quarter and nine months ended 31 December 2016. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. Beginning 1 April 2016, the Company has for the first time adopted Indian Accounting standards ("Ind AS") with a transition date of 1 April 2015. An unqualified report has been issued and the same is being filed with the Bombay Stock Exchange and National Stock Exchange, which is also available on the Company website- www.akzonobel.co.in.
3. The format for un-audited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30 November 2015 has been modified to comply with requirements of SEBI's Circular CIR/CFD/FAC/62/2016 dated 5 July 2016, NSE Circular NSE/CML/2016/12 dated 20 September 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
4. During the quarter ended 31 December 2015, 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.
5. The statement does not include Ind AS compliant statement of results for the previous year ended 31 March 2016 as the same is not mandatory as per aforesaid SEBI circular dated 5 July 2016.
6. The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind AS for the quarter and nine months ended 31 December 2015 is given below:

**(Rs in Million)**

<b>Particulars</b>	<b>Quarter ended 31 December 2015</b>	<b>Nine months ended 31 December 2015</b>
<b>Net Profit as per Indian IGAAP</b>	<b>632.4</b>	<b>1,495.3</b>
<b>Adjustments</b>		
Fair Value of Investments	69.7	46.6
Deferred Taxes	7.6	12.8
Others	(1.0)	(27.4)
<b>Net Profit as per Ind AS</b>	<b>708.7</b>	<b>1,527.3</b>
Other Comprehensive Expense (Net of Tax)	1.8	5.0
<b>Total Comprehensive Income</b>	<b>706.9</b>	<b>1,522.3</b>

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

Place: Navi Mumbai  
Date: 31 January 2017

Jayakumar Krishnaswamy  
Managing Director

# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Akzo Nobel India Limited  
DLF Epitome  
Building No. 5, Tower A,  
20th Floor, DLF Cyber City Phase III,  
Gurgaon-122002  
Haryana, India

1. We have reviewed the unaudited financial results of Akzo Nobel India Limited (the "Company") for the quarter ended 31 December, 2016 which are included in the accompanying Statement of Unaudited Financial Results for the quarter and nine months ended 31 December, 2016 together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and SEBI Circular dated 5 July, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at 1 April, 2015 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement 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 Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated 5 July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
  - a. Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from 1 April, 2016, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
  - b. The unaudited financial results of the Company for the quarter and nine months ended 31 December, 2015 prepared in accordance with Companies (Accounting Standards) Rules, 2006 (following the then Indian GAAP), were reviewed by another firm of chartered accountants who, vide their review report dated 29 January, 2016, expressed an unmodified conclusion on those financial results. Accordingly, the net profit included in the reconciliation to the Company's Total Comprehensive Income for the quarter and nine months ended on 31 December, 2015 is based on such financial results.



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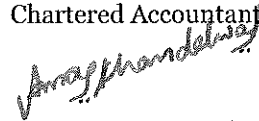
Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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/N500016 (ICAI registration number before conversion was 012754N)

- c. The standalone financial statements of the Company for the year ended 31 March, 2016 prepared in accordance with Companies (Accounting Standards) Rules, 2006, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated 13 May, 2016, expressed an unmodified opinion on those financial statements.

Our conclusion is not qualified in respect of these matters.

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



Anurag Khandelwal  
Partner  
Membership Number No 078571

Place: Navi Mumbai  
Date : 31 January, 2017

# Price Waterhouse Chartered Accountants LLP

The Board of Directors,  
Akzo Nobel India Limited  
DLF Epitome, Building No 5, Tower A,  
20<sup>th</sup> Floor, DLF Cyber City Phase III,  
Gurgaon – 122002  
Haryana, India

1. This report is issued in accordance with the terms of our agreement 6 August, 2016 and addendum dated 25 January, 2017.
2. We have reviewed the unaudited financial results of Akzo Nobel India Limited (the "Company") for the quarter ended 31 December, 2015 which are included in the accompanying Statement of Unaudited Financial Results for the quarter and nine months ended 31 December, 2015 together with the notes thereon (the "Statement"). The Statement has been prepared by the Management of the Company, in connection with their obligation to submit the reviewed Statement to the Board of Directors of the Company pursuant to the requirement of Regulation 33 of the Listing Regulations, 2015 ("Interim Financial Information") (the "Regulations"), in connection with the review of Statement. We have initialed the attached Statement for identification purpose only.

## Management's Responsibilities for the Statement

3. The preparation of the Statement in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) issued under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, is the responsibility of the Management of the Company, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. Further, as informed to us, the accounting policies used by the Management in the preparation of this Statement are consistent with those used in the preparation of its opening unaudited Ind AS Balance Sheet as at 1 April, 2015.

## Auditors' Responsibilities

5. 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.
6. 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.

## Conclusion

7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared, in all material respects, in accordance with Ind AS issued under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies.



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**Emphasis of Matter Paragraph – Basis of Preparation**

8. We draw attention to Note 2 to the Statement, which describes the basis of its preparation and states that the Company has adopted Ind AS for the financial year commencing from 1 April, 2016, and accordingly, the Statement, has been prepared by the Company's Management in compliance with Ind AS. The Statement is not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the Statement for the purposes for which those have been prepared.

**Other Matter**

9. The standalone financial statements of the Company for the year ended 31 March, 2016 prepared in accordance with Companies (Accounting Standards) Rules, 2006, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated 13 May, 2016, expressed an unmodified opinion on those financial statements. Accordingly, the net profit included in the reconciliation to the Company's Total Comprehensive Income for the quarter and nine months ended 31 December, 2015 is based on such financial statements.

Our conclusion is not qualified in respect of these matters.

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



Anurag Khandelwal  
Partner  
Membership Number : 078751

Place : Navi Mumbai  
Date : 31 January 2017