

Akzo Nobel India Limited

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

Unaudited Financial Results for the quarter and nine months ended 31 December 2014

(Rs. Million, unless otherwise indicated)

| PART I<br>Particulars   | Quarter ended       |                      |                     | Year to date for nine months ended |                     | Year ended      |
|---|---------------------|----------------------|---------------------|------------------------------------|---------------------|-----------------|
|   | 31 December<br>2014 | 30 September<br>2014 | 31 December<br>2013 | 31 December<br>2014                | 31 December<br>2013 | 31 March 2014   |
|   | (Unaudited)         | (Unaudited)          | (Unaudited)         | (Unaudited)                        | (Unaudited)         | (Audited)       |
| <b>1 Income from operations</b>   |                     |                      |                     |                                    |                     |                 |
| (a) Net sales (net of excise duty)  | 6,714.1             | 5,926.9              | 6,439.3             | 18,920.3                           | 17,704.3            | 23,717.1        |
| (b) Other operating income  | 156.1               | 140.2                | 123.7               | 428.0                              | 358.6               | 462.0           |
| <b>Total income from operations (net)</b>   | <b>6,870.2</b>      | <b>6,067.1</b>       | <b>6,563.0</b>      | <b>19,348.3</b>                    | <b>18,062.9</b>     | <b>24,179.1</b> |
| <b>2 Expenses</b>   |                     |                      |                     |                                    |                     |                 |
| (a) Cost of materials consumed  | 2695.1              | 3,377.2              | 2,922.1             | 9,153.9                            | 8,719.2             | 11,726.5        |
| (b) Purchase of stock-in-trade  | 508.4               | 610.9                | 361.0               | 1,626.0                            | 1,471.7             | 2,204.1         |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade                 | 653.0               | (584.3)              | 570.4               | 147.9                              | 141.3               | (146.1)         |
| (d) Employee benefits expense   | 495.0               | 478.2                | 487.5               | 1,482.7                            | 1,475.4             | 1,938.9         |
| (e) Depreciation and amortisation expense   | 128.6               | 127.1                | 118.8               | 388.8                              | 320.0               | 436.7           |
| (f) Other expenses  | 1,714.9             | 1,654.3              | 1,803.1             | 4,938.4                            | 4,970.3             | 6,537.5         |
| <b>Total expenses</b>   | <b>6,195.0</b>      | <b>5,663.4</b>       | <b>6,262.9</b>      | <b>17,737.7</b>                    | <b>17,097.9</b>     | <b>22,697.6</b> |
| <b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>    | <b>675.2</b>        | <b>403.7</b>         | <b>300.1</b>        | <b>1,610.6</b>                     | <b>965.0</b>        | <b>1,481.5</b>  |
| <b>4 Other income</b>   | <b>67.8</b>         | <b>154.2</b>         | <b>43.2</b>         | <b>513.7</b>                       | <b>341.4</b>        | <b>566.9</b>    |
| <b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>         | <b>743.0</b>        | <b>557.9</b>         | <b>343.3</b>        | <b>2,124.3</b>                     | <b>1,306.4</b>      | <b>2,048.4</b>  |
| <b>6 Finance cost</b>   | <b>3.0</b>          | <b>4.1</b>           | <b>3.8</b>          | <b>13.4</b>                        | <b>12.9</b>         | <b>14.7</b>     |
| <b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>   | <b>740.0</b>        | <b>553.8</b>         | <b>339.5</b>        | <b>2,110.9</b>                     | <b>1,293.5</b>      | <b>2,033.7</b>  |
| <b>8 Exceptional Items - income</b>   | <b>-</b>            | <b>-</b>             | <b>-</b>            | <b>26.7</b>                        | <b>-</b>            | <b>-</b>        |
| <b>9 Profit from ordinary activities before tax (7+8)</b>   | <b>740.0</b>        | <b>553.8</b>         | <b>339.5</b>        | <b>2,137.6</b>                     | <b>1,293.5</b>      | <b>2,033.7</b>  |
| <b>10 Tax expense</b>   | <b>232.6</b>        | <b>196.3</b>         | <b>69.4</b>         | <b>720.9</b>                       | <b>338.0</b>        | <b>531.5</b>    |
| <b>11 Net profit from ordinary activities after tax (9-10)</b>                                    | <b>507.4</b>        | <b>357.5</b>         | <b>270.1</b>        | <b>1,416.7</b>                     | <b>955.5</b>        | <b>1,502.2</b>  |
| <b>12 Paid - up equity share capital (ordinary shares of Rs 10/- each)</b>                        | <b>466.6</b>        | <b>466.6</b>         | <b>466.6</b>        | <b>466.6</b>                       | <b>466.6</b>        | <b>466.6</b>    |
| <b>13 Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year</b> |                     |                      |                     |                                    |                     | <b>7,996.6</b>  |
| <b>14 Basic and diluted Earnings per share (of Rs. 10 each) (not annualised)</b>                  | <b>10.87</b>        | <b>7.66</b>          | <b>5.79</b>         | <b>30.36</b>                       | <b>20.48</b>        | <b>32.18</b>    |

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Unaudited Financial Results for the quarter and nine months ended 31 December 2014

| PART II<br>Particulars   | Quarter ended                     |                   |                  | Year ended    |
|--|-----------------------------------|-------------------|------------------|---------------|
|  | 31 December 2014                  | 30 September 2014 | 31 December 2013 | 31 March 2014 |
| <b>A PARTICULARS OF SHAREHOLDING</b>   |                                   |                   |                  |               |
| <b>1 Public shareholding</b>   |                                   |                   |                  |               |
| - Number of shares   | 12,615,979                        | 12,615,979        | 12,615,979       | 12,615,979    |
| - Percentage of shareholding   | 27.04%                            | 27.04%            | 27.04%           | 27.04%        |
| <b>2 Promoter and Promoter Group Shareholding</b>  |                                   |                   |                  |               |
| <b>a) Pledged/ Encumbered</b>  |                                   |                   |                  |               |
| - Number of shares   | -                                 | -                 | -                | -             |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | -                                 | -                 | -                | -             |
| - Percentage of shares (as a % of the total share capital of the company)                | -                                 | -                 | -                | -             |
| <b>b) Non-encumbered</b>   |                                   |                   |                  |               |
| - Number of shares   | 34,044,335                        | 34,044,335        | 34,044,335       | 34,044,335    |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100%                              | 100%              | 100%             | 100%          |
| - Percentage of shares (as a % of the total share capital of the company)                | 72.96%                            | 72.96%            | 72.96%           | 72.96%        |
| <b>B PARTICULARS OF INVESTOR COMPLAINTS</b>  |                                   |                   |                  |               |
|  | Quarter ended<br>31 December 2014 |                   |                  |               |
| Pending at the beginning of the quarter  | -                                 |                   |                  |               |
| Received during the quarter  | 2                                 |                   |                  |               |
| Disposed off during the quarter  | 2                                 |                   |                  |               |
| Remaining unresolved at the end of the quarter   | -                                 |                   |                  |               |

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**Segment wise Revenue, Results and Capital Employed**  
**Unaudited Financial Results for the quarter and nine months ended 31 December 2014**

(Rs. Million, unless otherwise indicated)

|   | Quarter ended    |                   |                  | Year to date for nine months ended |                         | Year ended           |
|---|------------------|-------------------|------------------|------------------------------------|-------------------------|----------------------|
|   | 31 December 2014 | 30 September 2014 | 31 December 2013 | 31 December 2014                   | 31 December 2013        | 31 March 2014        |
|   | (Unaudited)      |                   |                  | (Unaudited)                        | (Unaudited)             | (Audited)            |
| <b>1 Segment Revenue</b>  |                  |                   |                  |                                    |                         |                      |
| a) Coatings   | 6,566.6          | 5,814.7           | 6,345.7          | 18,518.1                           | 17,378.9                | 23,242.9             |
| b) Others   | 303.6            | 252.4             | 217.3            | 830.2                              | 684.0                   | 936.2                |
| <b>Total income from operations (net)</b>                                   | <b>6,870.2</b>   | <b>6,067.1</b>    | <b>6,563.0</b>   | <b>19,348.3</b>                    | <b>18,062.9</b>         | <b>24,179.1</b>      |
| <b>2 Segment Results [Profit before interest and tax from each segment]</b> |                  |                   |                  |                                    |                         |                      |
| a) Coatings   | 680.7            | 400.7             | 318.7            | 1,611.2                            | 982.9                   | 1,472.9              |
| b) Others   | 14.3             | 32.1              | 3.2              | 75.6                               | 74.7                    | 103.0                |
| <b>Total</b>  | <b>695.0</b>     | <b>432.8</b>      | <b>321.9</b>     | <b>1,686.8</b>                     | <b>1,057.6</b>          | <b>1,575.9</b>       |
| Finance Cost  | 3.0              | 4.1               | 3.8              | 13.4                               | 12.9                    | 14.7                 |
| Other un-allocable income (net of un-allocable expenditure)                 | 48.0             | 125.1             | 21.4             | 437.5                              | 248.8                   | 472.5                |
|   | 740.0            | 553.8             | 339.5            | 2,110.9                            | 1,293.5                 | 2,033.7              |
| Exceptional items - Income  | -                | -                 | -                | 26.7                               | -                       | -                    |
| <b>Profit before tax</b>  | <b>740.0</b>     | <b>553.8</b>      | <b>339.5</b>     | <b>2,137.6</b>                     | <b>1,293.5</b>          | <b>2,033.7</b>       |
| <b>3 Capital Employed (Segment Assets - Segment Liabilities)</b>            |                  |                   |                  | <b>As at</b>                       | <b>As at</b>            | <b>As at</b>         |
|   |                  |                   |                  | <b>31 December 2014</b>            | <b>31 December 2013</b> | <b>31 March 2014</b> |
| a) Coatings   |                  |                   |                  | 6,870.7                            | 5,941.6                 | 6,665.2              |
| b) Others   |                  |                   |                  | 732.7                              | 626.8                   | 644.9                |
| Unallocated   |                  |                   |                  | 2,269.3                            | 5,439.2                 | 1,167.4              |
| <b>Total</b>  |                  |                   |                  | <b>9,872.7</b>                     | <b>12,007.6</b>         | <b>8,477.5</b>       |

**Note :**

- Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Other un-allocable items in segment results include income from investment of surplus funds of the Company and unallocable corporate expenses.

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

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**Unaudited Financial Results for the quarter and nine months ended 31 December 2014**

**Notes:**

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 29 January 2015.
2. The Statutory Auditors of the Company have reviewed the financial results for the quarter and nine months ended 31 December 2014. An unqualified report has been issued and the same is being filed with the Bombay and National Stock Exchanges, which is also available on the Company website-[www.akzonobel.com/in](http://www.akzonobel.com/in).
3. During the quarter ended 30 June 2014, according to Schedule II of the Companies Act, 2013, the Company based on an internal evaluation had reassessed the remaining estimated useful life of fixed assets, with effect from 1 April 2014. Accordingly, the useful life of certain assets required a change from the previous estimates. Had the Company continued with the previously assessed useful lives, depreciation charge for the quarter and nine months ended 31 December 2014 would have been lower by Rs. 4.4 million and Rs. 18.9 million respectively and the Reserves and Surplus as on 31 December 2014 would have been higher by Rs. 18.9 million. Further, based on transitional provision provided in note no. 7 (b) of Schedule II, an amount of Rs. 21.2 million (net of deferred taxes) has been adjusted against retained earnings as at 1 April 2014.
4. Consequent on receipt of provisional approval from authorities, the Company during the quarter ended 30 June 2014 had re-assessed the provision with regard to liability on Sales of Catalyst business and the net impact has been disclosed as an exceptional item. The tax impact of the transfer is being evaluated by the management and will be recognised in the period in which the transfer is consummated.
5. During the quarter ended 30 June 2014, the Company had paid Commission amounting to Rs. 3.6 million to its Non-Executive Directors for the year ended 31 March 2014, which has been approved by the shareholders at the Annual General Meeting held on 11 August 2014.
6. Previous year/ period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current year/ period figures.

Gurgaon  
29 January 2015

**Jayakumar Krishnaswamy**  
Managing Director

# B S R & Associates LLP

Chartered Accountants

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

- 1 We have reviewed the accompanying statement of un-audited financial results ('the Statement') of Akzo Nobel India Limited ('the Company') for the quarter and nine months ended 31 December 2014, attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing agreement issued by the Securities and Exchange Board of India ('Listing Agreement'), except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.
- 2 We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
- 3 Based on our review conducted as explained in paras 1 and 2 above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

*For B S R & Associates LLP*

*Chartered Accountants*

Firm Registration Number: 116231W / W-100024

**Rakesh Dewan**

*Partner*

Membership number: 092212

Place: Gurgaon

Date: 29 January 2015