

B S R & Associates

(Registered)
Chartered Accountants

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

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 2011, 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 reviewed 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.

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 provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review conducted as 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 Agreements, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Associates**
Chartered Accountants
Firm Registration Number: 116231W

Place: Gurgaon
Date: 14 February 2012

Kaushal Kishore
Partner
Membership number: 090075

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 2011**

(Rs. million)

	Quarter ended			Year to date for 9 months ended		Year ended
	31 Dec 2011	30 Sep 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Mar 2011
	(Unaudited)			(Unaudited)		(Audited)
Sales	4,053.0	3,307.1	3,291.6	11,072.7	9,001.5	11,920.6
Less : Excise Duty	364.6	292.2	301.0	983.8	791.6	1,044.7
Net Sales / Income from Operations	3,688.4	3,014.9	2,990.6	10,088.9	8,209.9	10,875.9
Other Operating Income	24.7	24.0	16.4	72.1	62.3	92.3
Net Sales/ Other Operating Income	3,713.1	3,038.9	3,007.0	10,161.0	8,272.2	10,968.2
Expenditure						
a) (Increase) / decrease in stock-in-trade and work-in-progress	340.4	(427.0)	196.4	52.5	(108.1)	(268.0)
b) Materials Consumed	1,517.3	1,845.3	1,283.5	4,856.0	3,938.6	5,261.0
c) Purchase of traded goods	207.8	211.8	134.3	628.4	505.3	782.3
d) Employees' cost	242.9	208.6	175.8	664.0	526.0	696.6
e) Depreciation	66.8	61.5	55.3	187.8	162.4	216.6
f) Other expenditure	1,128.3	967.6	908.9	2,973.8	2,340.1	3,165.8
Total	3,503.5	2,867.8	2,754.2	9,362.5	7,364.3	9,854.3
Profit from operations before other Income, Interest, exceptional items and tax	209.6	171.1	252.8	798.5	907.9	1,113.9
Other Income	152.5	151.3	97.8	645.0	480.9	745.8
Profit from operations before Interest, exceptional items and tax	362.1	322.4	350.6	1,443.5	1,388.8	1,859.7
Interest income/(expense) (net)	(1.9)	0.8	4.3	88.7	9.1	226.6
Profit after Interest but before exceptional items and tax	360.2	323.2	354.9	1,532.2	1,397.9	2,086.3
Exceptional items - income	-	-	112.8	-	112.8	112.8
Profit from ordinary activities before tax	360.2	323.2	467.7	1,532.2	1,510.7	2,199.1
Provision for Taxation - Current tax	63.0	42.0	86.0	279.0	313.0	470.6
- Deferred tax	4.7	18.1	(2.0)	17.8	9.4	20.0
- Excess provision written back	-	-	-	-	-	(58.0)
Net profit from ordinary activities for the period	292.5	263.1	383.7	1,235.4	1,188.3	1,766.5
Paid - up Equity Share Capital (ordinary shares of Rs 10/- each)	368.3	368.3	368.3	368.3	368.3	368.3
Reserves excluding Revaluation Reserve						10,532.4
Basic and diluted Earnings per share (Rs.)	7.94	7.14	10.42	33.54	32.26	47.94
Public shareholding						
- Number of shares				16,058,118	16,058,108	16,058,118
- Percentage of shareholding				43.60%	43.60%	43.60%
Promoters and promoter group shareholding						
a) Pledged/ Encumbered						
- Number of shares				-	-	-
- Percentage of shares (as a % of total shareholding of promoter and promoter group)				-	-	-
- Percentage of shares (as a % of total share capital of the Company)				-	-	-
b) Non-encumbered						
- Number of shares				20,776,213	20,776,223	20,776,213
- Percentage of shares (as a % of total shareholding of promoter and promoter group)				100%	100%	100%
- Percentage of shares (as a % of total share capital of the Company)				56.40%	56.40%	56.40%

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**Quarterly reporting of Unaudited Segment wise Revenue, Results and Capital Employed
For the quarter and nine months ended 31 December 2011**

(Rs. million)

	Quarter ended			Year to date for 9 months ended		Year ended
	31 Dec 2011	30 Sep 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010	31 Mar 2011
	(Unaudited)			(Unaudited)		(Audited)
1 Segment Revenue						
a) Paints	3,682.7	3,015.3	2,957.2	10,074.9	8,119.1	10,793.3
b) Others	30.4	23.6	49.8	86.1	153.1	174.9
Net Sales / Income from Operations	3,713.1	3,038.9	3,007.0	10,161.0	8,272.2	10,968.2
2 Segment Results [Profit before interest and tax from each segment]						
a) Paints	245.5	196.6	265.6	881.9	921.0	1,209.3
b) Others	8.1	5.4	11.7	22.7	32.2	36.4
Total	253.6	202.0	277.3	904.6	953.2	1,245.7
Interest income/(expense) (net)	(1.9)	0.8	4.3	88.7	9.1	226.6
Other un-allocable income net of (un-allocable expenditure)	108.5	120.4	73.3	538.9	435.6	614.0
	360.2	323.2	354.9	1,532.2	1,397.9	2,086.3
Exceptional Items - Income	-	-	112.8	-	112.8	112.8
Profit before tax	360.2	323.2	467.7	1,532.2	1,510.7	2,199.1
3 Capital Employed (Segment Assets - Segment Liabilities)						
		As at 30 Sep 2011		As at		As at
				31 Dec 2011	31 Dec 2010	31 Mar 2011
a) Paints		2,114.1		1,692.4	1,194.1	1,512.6
b) Others		45.6		51.6	38.9	35.3
Unallocated		9,699.1		10,407.4	9,882.3	9,368.6
Total		11,858.8		12,151.4	11,115.3	10,916.5

Note :

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

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Unaudited Financial Results for the quarter and nine months ended 31 December 2011

Notes:

1. The above results have been approved by the Board of Directors at its meeting held on 14 February 2012. The statutory auditors of the Company have carried out a Limited Review of the financial results for the quarter and nine months ended 31 December 2011 and an unmodified report has been issued. The same has been filed with the stock exchange and is available on the website of the Company.
2. The Board had, in its meeting held on 21 October, 2011, approved a scheme of arrangement (the scheme) involving amalgamation of Akzo Nobel Coatings India Private Limited, Akzo Nobel Car Refinishes India Private Limited and Akzo Nobel Chemicals (India) Limited with the Company, subject to necessary statutory and other approvals. The appointed date as per the above scheme would be 1 April 2011. Presently, the above results do not include any impact of the scheme.
3. There were no complaints from investors, pending at the beginning of the quarter. The Company received one complaint during the quarter, which was duly resolved.

Gurgaon
14 February 2012

Amit Jain
Managing Director