

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 unaudited financial results ('the Statement') of Akzo Nobel India Limited ('the Company') for the quarter and nine months ended 31 December 2015, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. 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 the statement of unaudited 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 provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
- 3 We state that as 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 unaudited financial results prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 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: Bengaluru
Date: 29 January 2016

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 2015

(Rs. Million)

Particulars	Quarter ended			Year to date for nine months ended		Previous year ended 31 March 2015 (Audited)
	31 December 2015	30 September 2015	31 December 2014	31 December 2015	31 December 2014	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
1 Income from Operations						
(a) Net Sales (Net of excise duty)	7,333.8	6,426.9	6,714.1	20,206.5	18,920.3	24,697.9
(b) Other Operating Income	146.9	138.2	156.1	423.3	428.0	572.0
Total income from operations (net)	7,480.7	6,565.1	6,870.2	20,629.8	19,348.3	25,269.9
2 Expenses						
(a) Cost of Materials consumed	2,650.2	3,210.4	2,695.1	8,795.2	9,153.9	11,969.5
(b) Purchase of stock-in-trade	635.2	633.4	508.4	1,791.1	1,626.0	2,219.0
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	744.3	(252.2)	653.0	586.2	147.9	(125.5)
(d) Employee benefits expense	622.9	582.7	495.0	1,769.6	1,482.7	2,057.7
(e) Depreciation and amortisation expense	135.1	135.7	128.6	402.3	388.8	525.9
(f) Other expenses	1,972.6	1,793.8	1,714.9	5,497.7	4,938.4	6,534.9
Total expenses	6,760.3	6,103.8	6,195.0	18,842.1	17,737.7	23,181.5
3 Profit from operations before other income, finance costs and exceptional items (1-2)	720.4	461.3	675.2	1,787.7	1,610.6	2,088.4
4 Other Income	85.5	148.2	87.8	308.8	513.7	650.0
5 Profit from ordinary activities before finance costs and exceptional items (3+4)	805.9	609.5	743.0	2,096.5	2,124.3	2,738.4
6 Finance Costs	2.5	2.9	3.0	9.2	13.4	14.9
7 Profit from ordinary activities after finance costs but before exceptional items (5-6)	803.4	606.6	740.0	2,087.3	2,110.9	2,723.5
8 Exceptional Items - income	99.0	-	-	99.0	26.7	26.7
9 Profit from ordinary activities before tax (7+8)	902.4	606.6	740.0	2,186.3	2,137.6	2,750.2
10 Tax expense	270.0	196.8	232.6	691.0	720.9	887.1
11 Net profit from ordinary activities after tax (9-10)	632.4	409.8	507.4	1,495.3	1,416.7	1,863.1
12 Paid - up equity share capital (ordinary shares of Rs 10/- each)	466.6	466.6	466.6	466.6	466.6	466.6
13 Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year						8,719.0
14 Basic and diluted Earnings per share (of Rs. 10 each) (not annualised)	13.55	8.78	10.87	32.05	30.36	39.93

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Segment wise Revenue, Results and Capital Employed

Unaudited Financial Results for the quarter and nine months ended 31 December 2015

(Rs. Million)

	Quarter ended			Year to date for nine months ended		Year ended
	31 December 2015	30 September 2015	31 December 2014	31 December 2015	31 December 2014	31 March 2015
	(Unaudited)			(Unaudited)	(Unaudited)	(Audited)
1 Segment Revenue						
a) Coatings	6,984.6	6,138.0	6,566.6	19,308.0	18,518.1	24,152.7
b) Others	496.1	427.1	303.6	1,321.8	830.2	1,117.2
Total income from operations (net)	7,480.7	6,565.1	6,870.2	20,629.8	19,348.3	25,269.9
2 Segment Results [Profit before interest and tax from each segment]						
a) Coatings	697.7	467.0	680.7	1,770.1	1,811.2	2,110.8
b) Others	49.8	21.9	14.3	102.7	75.6	129.5
Total	747.5	488.9	695.0	1,872.8	1,886.8	2,240.3
Less: Finance Cost	2.5	2.9	3.0	9.2	13.4	14.9
Add: Other un-allocable income (net of un-allocable expenditure)	58.4	120.6	48.0	223.7	437.5	498.1
	803.4	606.6	740.0	2,087.3	2,110.9	2,723.5
Exceptional items - Income	99.0	-	-	99.0	26.7	26.7
Profit before tax	902.4	606.6	740.0	2,186.3	2,137.6	2,750.2
3 Capital Employed (Segment Assets - Segment Liabilities)				As at	As at	As at
				31 December	31 December	31 March 2015
				2015	2014	
a) Coatings				6,640.3	6,870.7	6,813.1
b) Others				606.6	732.7	525.9
Unallocated				3,448.0	2,269.3	1,860.7
Total				10,694.9	9,872.7	9,199.7

Note :

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

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

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Unaudited Financial Results for the quarter and nine months ended 31 December 2015

Notes:

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their meetings held on 29 January 2016.
2. The Statutory Auditor of the Company have reviewed the financial results for the quarter and nine months ended 31 December 2015. 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.co.in.
3. 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. In order to determine the tax liability, the Company has obtained an expert opinion, basis which the Company has considered the original year of business transfer for the same.
4. Previous year/ period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current year/ period figures.

Bengaluru
29 January 2016


Jayakumar Krishnaswamy
Managing Director



