

2 November 2017

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,

Un-audited Financial Results

This is to inform you that the Board of Directors of Akzo Nobel India Limited in its meeting held today has approved the Un-audited Financial Results of the Company for the quarter and half-year ended 30 September 2017. The Meeting ended at 5:20 PM

Copies of the Financial Results, Limited Review Report thereon and the Press Release issued by the Company today are attached herewith.

Yours faithfully,
For Akzo Nobel India Limited



R Guha
Company Secretary

Encl: as above.

Media release

Gurugram, November 2, 2017

AkzoNobel India announces Q2 FY 2017-18 results

Q2 FY 2017-18

Revenue from operations up 3% at ₹ 7,045 million on a comparable basis

PAT at ₹ 388 million compared to ₹ 416 million of previous year

Today, the Board of Directors of Akzo Nobel India Limited approved the unaudited financial results for the quarter ended September 30, 2017.

Performance highlights Akzo Nobel India Limited

Consequent to the introduction of Goods & Service Tax (GST) with effect from 1 July 2017, excise duty, value added taxes etc. have been subsumed into GST. In accordance with the Indian Accounting Standard 18 on revenue, unlike excise duties, levies like GST, VAT, service tax etc. are not part of revenue. Accordingly the figures for the period up to 30 June 2017 are not comparable with those thereafter for revenue.

- **Revenue** from operations at ₹ 7,045 million
- **Profit after tax** for the quarter stood at ₹ 388 million

On a comparable basis, revenue grew by 3% over the corresponding quarter of the previous year.

Comments

Jayakumar Krishnaswamy, Managing Director, AkzoNobel India:

“Headwinds due to high raw materials costs have impacted the business during the quarter. Though sales returned to growth during the quarter, the pick-up has been slower than anticipated.”

About AkzoNobel India:

AkzoNobel creates everyday essentials to make people's lives more liveable and inspiring. As a leading global paints and coatings company and a major producer of specialty chemicals, we supply essential ingredients, essential protection and essential colour to industries and consumers worldwide. Backed by a pioneering heritage, our innovative products and sustainable technologies are designed to meet the growing demands of our fast-changing planet, while making life easier. Consistently ranked as a leader in sustainability, we are dedicated to energising cities and communities while creating a protected, colourful world where life is improved by what we do.

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. Our portfolio includes well-known brands such as Dulux, Sikkens, International and Interpon. With employee strength of close to 1,900, AkzoNobel India has manufacturing sites, offices and a distribution network spread across the country. All manufacturing

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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

Investor Relations, AkzoNobel India:
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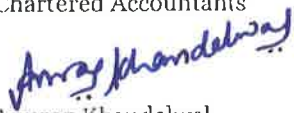
Prerna Arun, Country Communications, AkzoNobel India
Contact: prerna.arun@akzonobel.com; +91-124-4852400

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
Gurugram-122002
Haryana, India

1. We have reviewed the unaudited financial results of Akzo Nobel India Limited (the "Company") for the quarter ended 30 September 2017 which are included in the accompanying Statement of Unaudited Financial Results for the quarter and half-year ended 30 September 2017 and the Statement of assets and liabilities as on that date (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), 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. 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 the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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


Anurag Khandelwal
Partner
Membership Number 078571

Place: Gurugram
Date: 2 November 2017

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City
Gurgaon - 122 002
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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).

Akzo Nobel India Limited

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

CIN: L24292WB1954PLC021516

Statement of standalone unaudited financial results for the quarter and half year ended 30 September 2017

(Rs. in Million)

Particulars	Quarter ended			Half year ended		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income from operations						
(a) Revenue from operations (Refer note 4)	7,044.9	7,912.5	7,590.2	14,957.4	15,381.7	31,343.8
(b) Other Income	80.5	67.7	125.2	148.2	250.2	493.1
Total Income from operations	7,125.4	7,980.2	7,715.4	15,105.6	15,631.9	31,836.9
2 Expenses						
(a) Cost of materials consumed	3,260.1	3,290.1	3,399.4	6,550.2	6,579.8	12,744.7
(b) Purchase of stock-in-trade	666.5	939.1	713.4	1,605.6	1,637.5	3,317.5
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(41.0)	(40.8)	(343.0)	(81.8)	(532.1)	(236.5)
(d) Excise Duty	-	763.6	731.9	763.6	1,489.5	3,095.0
(e) Employee benefits expense	695.6	700.9	671.4	1,396.5	1,274.2	2,583.8
(f) Finance Costs	6.5	4.5	4.2	11.0	10.2	31.9
(g) Depreciation and amortisation expense	155.0	146.6	134.1	301.6	264.4	565.1
(h) Other expenses	1,825.3	1,594.1	1,733.3	3,419.4	3,272.3	6,350.5
Total expenses	6,568.0	7,398.1	7,044.7	13,966.1	13,995.8	28,452.0
3 Profit before exceptional items and tax(1-2)	557.4	582.1	670.7	1,139.5	1,636.1	3,384.9
4 Exceptional Items - Income	-	20.0	-	20.0	-	38.7
5 Profit before tax (3+4)	557.4	602.1	670.7	1,159.5	1,636.1	3,423.6
6 Tax expense						
(a) Current Tax	176.6	183.4	319.6	360.0	729.5	1,087.3
(b) Deferred Tax	(7.1)	6.0	(64.8)	(1.1)	(151.9)	(133.9)
7 Net profit for the period (5-6)	387.9	412.7	415.9	800.6	1,058.5	2,470.2
8 Other comprehensive expense/(income), net of income tax						
(A) (i) Items that will not be reclassified to profit or loss (Refer note 5)	(120.4)	16.8	2.9	(103.6)	5.5	110.1
(ii) Income tax relating to items that will not be reclassified to profit or loss	41.7	(5.8)	(1.0)	35.9	(1.9)	(38.2)
(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	-	-	-	-	-	-
9 Total comprehensive income for the period	466.6	401.7	414.0	868.3	1,054.9	2,398.3
10 Paid - up equity share capital (Shares of Rs 10/- each)	466.6	466.6	466.6	466.6	466.6	466.6
11 Earnings per share (of Rs. 10 each) (not annualised) :						
(a) Basic	8.31	8.85	8.91	17.16	22.68	52.93
(b) Diluted	8.31	8.85	8.91	17.16	22.68	52.93



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Akzo Nobel India Limited

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Statement of standalone unaudited assets and liabilities as at 30 September 2017

Particulars	(Rs. in Million)	
	As at 30 September 2017	As at 31 March 2017
	(Unaudited)	(Audited)
A. ASSETS		
1 Non-current-assets		
(a) Property, plant & equipment	5,044.5	5,076.4
(b) Capital work-in-progress	623.3	232.3
(c) Other intangible assets	107.9	115.0
(d) Financial assets		
(i) Investments	689.5	662.6
(ii) Other bank balances	1.0	-
(iii) Loans	3.1	4.8
(iv) Other financial assets	80.0	90.8
(e) Other non-current assets	701.8	632.5
Sub total - Non-current assets	7,251.1	6,814.4
2 Current assets		
(a) Inventories	4,294.3	4,054.3
(b) Financial assets		
(i) Investments	1,213.5	2,693.1
(ii) Trade receivables	3,990.6	4,120.5
(iii) Cash & cash equivalents	573.2	167.4
(iv) Bank balances other than (iii) above	181.1	179.0
(v) Loans	12.2	13.2
(vi) Other financial assets	103.7	112.8
(c) Current tax assets (net)	68.2	-
(d) Other current assets	1,316.0	680.5
Sub total - Current assets	11,750.8	12,020.8
TOTAL - ASSETS	19,001.9	18,835.2

B. EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share capital	466.6	466.6
(b) Other Equity	9,254.5	9,621.5
Sub total - Equity	9,721.1	10,088.1
LIABILITIES		
2 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	26.4	26.4
(ii) Other financial liabilities (other than those specified in item (i) above)	133.2	114.2
(b) Provisions	471.1	619.5
(c) Deferred tax liabilities (Net)	48.5	13.7
(d) Other non-current liabilities	34.2	45.7
Sub total - Non-current liabilities	713.4	819.5
3 Current liabilities		
(a) Financial Liabilities		
(i) Trade Payables	5,625.3	6,232.0
(ii) Other financial liabilities (other than those specified in item (i) above)	1,017.2	674.3
(b) Other current liabilities	701.2	720.3
(c) Provisions	223.7	218.6
(d) Current tax liabilities (Net)	-	82.4
Sub total - Current liabilities	8,567.4	7,927.6
TOTAL - EQUITY AND LIABILITIES	19,001.9	18,835.2



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

Particulars	Quarter ended			Half year ended		Year Ended
	30 September 2017	30 June 2017	30 September 2016	30 September 2017	30 September 2016	31 March 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(Rs. in Million)						
1 Segment Revenue (including other operating revenue)						
a) Coatings	6,608.2	7,257.8	7,051.6	13,866.0	14,105.4	28,804.4
b) Others	474.7	709.4	559.6	1,184.1	1,311.5	2,658.4
Inter - segment elimination	(38.0)	(54.7)	(21.0)	(92.7)	(35.2)	(119.0)
Total	7,044.9	7,912.5	7,590.2	14,957.4	15,381.7	31,343.8
2 Segment Results (Profit before interest and tax from each segment)						
a) Coatings	493.0	548.8	557.4	1,041.8	1,343.3	2,660.1
b) Others	25.0	15.6	38.6	40.5	119.3	214.5
Total	518.0	564.4	596.0	1,082.4	1,462.6	3,074.6
Finance Cost	(6.5)	(4.5)	(4.2)	(11.0)	(10.2)	(31.9)
Other un-allocable income (net of un-allocable expenditure)	45.9	22.2	78.9	68.1	183.7	342.2
	557.4	582.1	670.7	1,139.5	1,636.1	3,384.9
Exceptional Items - Income		20.0	-	20	-	38.7
Profit before tax	557.4	602.1	670.7	1,159.5	1,636.1	3,423.6
3 (a) Segment Assets	As at 30 September 2017	As at 30 June 2017	As at 30 September 2016	As at 31 March 2017		
a) Coatings	16,370.0	14,868.2	15,509.5	14,087.1		
b) Others	933.6	1,195.2	1,146.9	1,280.0		
Unallocated	1,698.3	3,548.2	1,177.1	3,468.1		
Total	19,001.9	19,611.6	17,833.5	18,835.2		
(b) Segment Liabilities						
a) Coatings	7,949.3	7,461.9	7,253.3	7,058.5		
b) Others	504.1	732.6	572.2	870.8		
Unallocated	827.4	928.1	1,319.4	818.0		
Total	9,280.8	9,122.6	9,144.9	8,747.1		
(c) Capital Employed (Segment Assets - Segment Liabilities)						
a) Coatings	8,420.7	7,406.3	8,256.2	7,028.6		
b) Others	429.5	462.6	574.7	409.4		
Unallocated	870.9	2,620.1	(142.3)	2,650.1		
Total	9,721.1	10,489.0	8,688.6	10,088.1		

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.

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



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

Standalone Unaudited Financial Results for the quarter and half year ended 30 September 2017

Notes:

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 2 November 2017. The figures for the quarter and half years ended 30 September 2017 and 30 September 2016 have been subjected to limited review by the statutory auditors.
2. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
3. Exceptional items reported during the quarter ended 30 June 2017, half year ended 30 September 2017 and year ended 31 March 2017 represent divestment provisions no longer required written back.
4. In accordance with Indian Accounting Standard 18 on Revenue and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, revenue for the quarters ended 30 June 2017 and 30 September 2016, for half year ended 30 September 2016 and year ended 31 March 2017 are reported inclusive of Excise Duty. Consequent to the implementation of the Goods and Service Tax (GST) wef 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 quarter ended 30 September 2017 is 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)					
	Quarter ended		Half Year ended		Year ended
Particulars	30 June 2017	30 th September 2016	30 th September 2017	30 th September 2016	31 st March 2017
Revenue from Operations	7,148.8	6,858.3	14,193.8	13,892.2	28,248.7

5. During the current quarter, the Company has changed assumptions relating to actuarial valuation due to changes in macroeconomic and other factors. Other Comprehensive Income for the quarter ended September 30, 2017 and half year ended September 30, 2017 reflect the impact of this change. The impact, if any, for future periods is not determinable at this stage.

Gurugram
2 November 2017

Jayakumar Krishnaswamy
Jayakumar Krishnaswamy
Managing Director

