

29 January 2016

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  
Fax 022 22723121, 3719, 2037

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  
Fax No 022 26598237/38

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 ended 31 December 2015.

Copy of the Un-audited Financial Results and the Press Release issued by the Company today are attached herewith.

Yours faithfully,  
For Akzo Nobel India Limited



R Guha  
Company Secretary  
Camp: Bangalore

Encl: as above.

# Press Release

## AkzoNobel India announces Q3 FY2015-16 results

### Q3 FY 2015 - 2016

**Total revenue at Rs 748 crore; up by 9%**

**Profit after tax at Rs 63 crore; up by 25%**

### Bengaluru, January 29, 2016:

Today, the Board of Directors of AkzoNobel India Limited approved the unaudited financial results for the quarter ended December 31, 2015.

### Performance highlights

#### AkzoNobel India Limited (Q3 FY16 versus Q3 FY15)

- ü **Total revenue at Rs 748 crore** as compared to **Rs 687 crore** of the corresponding quarter of the previous year; a **QoQ growth of 9%**
- ü **Profit after tax at Rs 63 crore** as compared to **Rs 51 crore** of the corresponding quarter of the previous year; a **QoQ growth of 25%.**
- i. The quarter's results also incorporate, accounting adjustment in respect of the transfer of an industrial undertaking at Panki, Uttar Pradesh. The site related to Catalyst Business was divested by the company in 2002.
- ii. The results also include the gains arising from transfer of beneficial interest in certain residential apartments in Kolkata, which are surplus to the requirements of the company

### Comments

#### **Nihal Kaviratne CBE, Chairman, AkzoNobel India Limited:**

*"The Board at its meeting today appointed Mr. Pradip Menon as the Chief Financial Officer and Wholetime Director of the Company with effect from 01 February 2016, subject to shareholder approval. We are delighted to have him on our team. Pradip has over 20 years of experience in leadership positions in Finance, across various business lines and geographies."*

#### **Jayakumar Krishnaswamy, Managing Director, AkzoNobel India:**

*"In a tough business environment, it is gratifying to report that the company has posted a 25 percent growth in its Profit after tax for the third quarter of FY 2016 on the*

*back of robust growth from most businesses.”*

*“The announcement of ‘Monarch Gold’ being Colour of the Year 2016 certainly reflects AkzoNobel India’s position as a trendsetter.”*

#### **About AkzoNobel India:**

Present in India for 60 years and a significant player in the paints industry. Over the years, it has witnessed sustained expansion, growth and transformation. In 2008, the Company became a member of the AkzoNobel Group.

AkzoNobel India manufactures and markets a wide range of coatings covering Decorative paints Protective coatings and Specialty Chemicals. We provide solutions to many industries and sectors including automotive, consumer electronics, power, aviation, shipping and leisure craft, construction, oil and gas, water and waste water, food and beverages, etc. We supply industries and consumer with innovative products and are passionate about developing sustainable answers for our customers. Our portfolio includes well-known brands such as Dulux, Sikkens, International and Interpon. Our employee strength is close to 1800.

AkzoNobel India has manufacturing sites, offices and distribution network spread across the country. All manufacturing facilities have state-of-art environmental management system. Its commitment to Health, Safety, Environment & Security (HSE&S) has been amongst the best in class globally, with due care being taken to protect the people and the environment.

#### **Company Contacts:**

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#### **Safe Harbour Statement:**

This press release may contain statements which address such key issues as Akzo Nobel'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.

# B S R & Associates LLP

Chartered Accountants

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DLF Cyber City, Phase - II  
Gurgaon - 122 002, India

Telephone: + 91 124 2358 610  
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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

**Alkzo 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**

| Particulars                                                                                       | Quarter ended    |                   |                  | Year to date for nine months ended |                  | (Rs. Million)   |
|---------------------------------------------------------------------------------------------------|------------------|-------------------|------------------|------------------------------------|------------------|-----------------|
|                                                                                                   | 31 December 2015 | 30 September 2015 | 31 December 2014 | 31 December 2015                   | 31 December 2014 |                 |
|                                                                                                   | (Unaudited)      | (Unaudited)       | (Unaudited)      | (Unaudited)                        | (Unaudited)      |                 |
| <b>1 Income from Operations</b>                                                                   |                  |                   |                  |                                    |                  |                 |
| (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           |
| <b>Total Income from operations (net)</b>                                                         | <b>7,480.7</b>   | <b>6,565.1</b>    | <b>6,870.2</b>   | <b>20,629.8</b>                    | <b>19,348.3</b>  | <b>25,269.9</b> |
| <b>2 Expenses</b>                                                                                 |                  |                   |                  |                                    |                  |                 |
| (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)           | 663.0            | 586.2                              | 147.9            | (125.5)         |
| (d) Employee benefits expense                                                                     | 622.9            | 582.7             | 495.0            | 1,769.6                            | 1,462.7          | 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         |
| <b>Total expenses</b>                                                                             | <b>6,760.3</b>   | <b>6,103.8</b>    | <b>6,195.0</b>   | <b>18,842.1</b>                    | <b>17,737.7</b>  | <b>23,181.5</b> |
| <b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>    | <b>720.4</b>     | <b>461.3</b>      | <b>675.2</b>     | <b>1,787.7</b>                     | <b>1,610.6</b>   | <b>2,088.4</b>  |
| 4 Other Income                                                                                    | 85.5             | 148.2             | 67.8             | 308.8                              | 513.7            | 650.0           |
| <b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>         | <b>805.9</b>     | <b>609.5</b>      | <b>743.0</b>     | <b>2,096.5</b>                     | <b>2,124.3</b>   | <b>2,738.4</b>  |
| 6 Finance Costs                                                                                   | 2.5              | 2.9               | 3.0              | 9.2                                | 13.4             | 14.9            |
| <b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>   | <b>803.4</b>     | <b>606.6</b>      | <b>740.0</b>     | <b>2,087.3</b>                     | <b>2,110.9</b>   | <b>2,723.5</b>  |
| 8 Exceptional items - income                                                                      | 99.0             | -                 | -                | 99.0                               | 26.7             | 26.7            |
| <b>9 Profit from ordinary activities before tax (7+8)</b>                                         | <b>902.4</b>     | <b>606.6</b>      | <b>740.0</b>     | <b>2,186.3</b>                     | <b>2,137.6</b>   | <b>2,750.2</b>  |
| 10 Tax expense                                                                                    | 270.0            | 196.8             | 232.6            | 691.0                              | 720.9            | 887.1           |
| <b>11 Net profit from ordinary activities after tax (9-10)</b>                                    | <b>632.4</b>     | <b>409.8</b>      | <b>507.4</b>     | <b>1,495.3</b>                     | <b>1,416.7</b>   | <b>1,863.1</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>13.55</b>     | <b>8.78</b>       | <b>10.87</b>     | <b>32.05</b>                       | <b>30.36</b>     | <b>39.93</b>    |

*[Signature]*

**Alkzo Nobel India Limited**

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CIN: L24292WB1954PLC021516

**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<br>31 March 2015<br>(Audited) |
|-----------------------------------------------------------------------------|---------------------|----------------------|---------------------|------------------------------------|------------------------------------|------------------------------------------|
|                                                                             | 31 December<br>2015 | 30 September<br>2015 | 31 December<br>2014 | 31 December<br>2015<br>(Unaudited) | 31 December<br>2014<br>(Unaudited) |                                          |
| <b>1 Segment Revenue</b>                                                    |                     |                      |                     |                                    |                                    |                                          |
| 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                                  |
| <b>Total income from operations (net)</b>                                   | <b>7,480.7</b>      | <b>6,565.1</b>       | <b>6,870.2</b>      | <b>20,629.8</b>                    | <b>19,348.3</b>                    | <b>25,269.9</b>                          |
| <b>2 Segment Results [Profit before interest and tax from each segment]</b> |                     |                      |                     |                                    |                                    |                                          |
| a) Coatings                                                                 | 697.7               | 467.0                | 680.7               | 1,770.1                            | 1,611.2                            | 2,110.8                                  |
| b) Others                                                                   | 49.8                | 21.9                 | 14.3                | 102.7                              | 75.6                               | 129.5                                    |
| <b>Total</b>                                                                | <b>747.5</b>        | <b>488.9</b>         | <b>695.0</b>        | <b>1,872.8</b>                     | <b>1,686.8</b>                     | <b>2,240.3</b>                           |
| 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                                    |
|                                                                             | 603.4               | 606.6                | 740.0               | 2,087.3                            | 2,110.9                            | 2,723.5                                  |
| Exceptional items - Income                                                  | 99.0                | -                    | -                   | 99.0                               | 26.7                               | 26.7                                     |
| <b>Profit before tax</b>                                                    | <b>902.4</b>        | <b>606.6</b>         | <b>740.0</b>        | <b>2,186.3</b>                     | <b>2,137.6</b>                     | <b>2,750.2</b>                           |
| <b>3 Capital Employed (Segment Assets - Segment Liabilities)</b>            |                     |                      |                     |                                    |                                    |                                          |
| a) Coatings                                                                 |                     |                      |                     | As at<br>31 December<br>2015       | As at<br>31 December<br>2014       | As at<br>31 March 2015                   |
| b) Others                                                                   |                     |                      |                     | 6,640.3                            | 6,870.7                            | 6,813.1                                  |
| Unallocated                                                                 |                     |                      |                     | 606.6                              | 732.7                              | 525.9                                    |
| <b>Total</b>                                                                |                     |                      |                     | <b>3,448.0</b>                     | <b>2,289.3</b>                     | <b>1,880.7</b>                           |
|                                                                             |                     |                      |                     | <b>10,694.9</b>                    | <b>9,872.7</b>                     | <b>9,199.7</b>                           |

**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.

*[Signature]*

**Akzo Nobel India Limited**  
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**CIN: L24292WB1954PLC021516**

**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](http://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**



