

06 February 2020

Department of Corporate Services
BSE Limited
1st floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai - 400 001

The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor,
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 ended 31 December 2019.

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

The meeting ended at 3.20 pm.

Yours faithfully,
For Akzo Nobel India Limited



R Guha
Company Secretary
Membership#FCS-10474

Encl: as above.

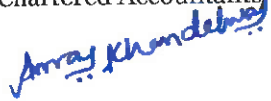
Price Waterhouse Chartered Accountants LLP

Review Report

To
The Board of Directors
Akzo Nobel India Limited
9th Floor, Magnum Towers,
Golf Course Extension Road,
Sector 58, Gurugram-122011
Haryana, India

1. We have reviewed the unaudited financial results of Akzo Nobel India Limited (the "Company") for the quarter and the year to date results for the period 1 April 2019 to 31 December 2019, which are included in the accompanying Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2019 (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (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

UDIN: 20078571AAAAAE1144
Place: Gurugram
Date: 6 February 2020

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City
Gurgaon - 122 002
T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

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 nine months ended 31 December 2019

(Rs. in Million)

Particulars	Quarter ended			Nine months ended		For the year ended 31 March 2019
	31 December 2019	30 September 2019	31 December 2018	31 December 2019	31 December 2018	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
1 Income from operations						
(a) Revenue from operations	7,270.3	6,338.2	7,832.8	20,805.4	22,127.7	29,183.5
(b) Other income	71.9	66.8	97.9	218.1	270.1	422.2
Total income from operations	7,342.2	6,405.0	7,930.7	21,023.5	22,397.8	29,605.7
2 Expenses						
(a) Cost of materials consumed	2,640.3	2,621.2	3,527.0	9,044.0	11,086.1	14,990.0
(b) Purchase of stock-in-trade	528.0	735.3	465.4	1,609.0	1,460.0	2,065.3
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	770.9	(9.6)	663.2	574.4	319.9	(143.8)
(d) Employee benefits expense	630.5	646.7	627.8	1,965.5	2,051.8	2,850.4
(e) Finance costs	30.8	28.1	23.3	84.2	36.9	44.5
(f) Depreciation and amortisation expense	192.8	203.6	165.0	598.4	466.8	651.6
(g) Other expenses	1,540.1	1,616.6	1,537.7	4,690.2	4,821.7	6,198.6
Total expenses	6,333.4	5,841.9	7,009.4	18,565.7	20,243.2	26,456.6
3 Profit from operations before exceptional items and tax(1-2)	1,008.8	563.1	921.3	2,457.8	2,154.6	3,149.1
4 Exceptional Items - Income	34.9	-	2.0	34.9	6.5	6.5
5 Profit before tax from operations (3+4)	1,043.7	563.1	923.3	2,492.7	2,161.1	3,155.6
6 Tax expense						
(a) Current tax (Net)	280.1	61.7	327.2	711.5	802.0	1,098.0
(b) Deferred tax	(6.3)	8.9	(7.7)	(52.6)	(47.3)	(52.2)
7 Profit for the period from operations (5-6)	769.9	492.5	603.8	1,833.8	1,406.4	2,109.8
8 Other comprehensive (expense)/income, net of income tax from operations						
(A) (i) Items that will not be reclassified to profit or loss	(64.0)	(18.2)	(15.4)	(125.2)	(24.0)	(110.2)
(ii) Income tax relating to items that will not be reclassified to profit or loss	11.9	4.6	5.4	31.5	8.4	37.9
(B) (i) Changes in fair value of FVOCI equity instruments	-	-	-	-	-	1.8
(ii) Income tax relating to fair value of equity instruments	-	-	-	-	-	(0.6)
(C) (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	717.8	478.9	593.8	1,740.1	1,390.8	2,038.7
10 Paid - up equity share capital (Shares of Rs 10 each)	455.4	455.4	455.4	455.4	455.4	455.4
11 Earnings per share (of Rs. 10 each) (not annualised) from operations:						
(a) Basic	16.91	10.81	13.26	40.27	30.56	45.96
(b) Diluted	16.91	10.81	13.26	40.27	30.56	45.96



Akzo Nobel India Limited

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

CIN: L24292WB1954PLC021516

Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2019

Notes:

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 6 February 2020. The figures for the quarter and nine months ended 31 December 2019 have been subjected to limited review by the statutory auditors.
2. Exceptional items reported during the quarter ended 31 December 2018 and 31 December 2019, nine months ended 31 December 2018 and 31 December 2019 and year ended 31 March 2019 represent divestment provisions and indirect taxes on divested businesses no longer required written back.
3. Effective 1 April 2019, the Company has adopted Ind AS 116 'Leases' using the modified retrospective transition method and accordingly, the comparatives for earlier periods presented have not been restated. The Company has chosen to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs. 669 Mn and lease liability amounting to Rs. 654 Mn. During the current quarter and nine months ended 31 December 2019, the reported adjustments to following line items are as under:

Particulars	Rs. In Million	
	Quarter ended 31 December 2019	Nine months ended 31 December 2019
Increase in Depreciation	43.7	126.5
Increase in Finance Cost	17.0	45.7
Decrease in Other Expense	55.7	156.6
Decrease in Profit Before Tax	5.0	15.6

4. The Company has exercised the option of availing the lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income Tax Act, 1961 effective 1 April 2019. Accordingly, the Company has remeasured its current tax liability and deferred tax asset (net) balances and reversed Rs. 131.7 Mn during the quarter ended 30 September 2019 with corresponding impact on nine months ended 31 December 2019.
5. The Company operates in single segment viz. Coatings. Therefore, separate segment disclosures under the provisions of Ind AS 108 have not been given in respect of Standalone Financial Results for the quarter and nine months ended 31 December 2019.
6. Previous period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current period figures.

Gurugram
6 February 2020


Rajiv Rajgopal
Managing Director



Price Waterhouse Chartered Accountants LLP

Review Report

To
The Board of Directors
Akzo Nobel India Limited
9th Floor, Magnum Towers,
Golf Course Extension Road,
Sector 58, Gurugram-122011
Haryana, India

1. We have reviewed the unaudited consolidated financial results of Akzo Nobel India Limited (the "Parent") and its subsidiary (the parent and its subsidiary hereinafter referred to as the "Group") for the quarter and year to date results for the period 1 April 2019 to 31 December 2019, which are included in the accompanying Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2019 (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialled by us for identification purposes. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31 December 2018 and the corresponding period from 1 April 2018 to 31 December 2018, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. The Statement includes the results of the following entities:
 - Akzo Nobel India Limited (Parent)
 - ICI India Research & Technology Centre (Subsidiary Company)



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5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The consolidated unaudited financial results includes the interim financial results of a subsidiary which have not been reviewed, whose interim financial results reflect total revenues of Rs. 2.5 million and Rs. 7.7 million, total net profit/(loss) after tax of Rs. Nil and Rs. Nil and total comprehensive income/loss of Rs. Nil and Rs. Nil, for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

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



Anurag Khandelwal
Partner
Membership Number: 078571

UDIN: 20078571AAAAAF6398
Place: Gurugram
Date: 6 February 2020

Akzo Nobel India Limited

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

CIN: L24292WB1954PLC021516

Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2019

(Rs. in Million)

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(a) Cost of materials consumed	2,640.3	2,621.2	3,527.0	9,044.0	11,086.1	14,990.0
(b) Purchase of stock-in-trade	528.0	735.3	465.4	1,609.0	1,460.0	2,065.3
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(d) Employee benefits expense	631.9	648.0	629.7	1,970.5	2,056.7	2,656.1
(e) Finance costs	30.8	28.1	23.3	84.2	36.9	44.5
(f) Depreciation and amortisation expense	192.8	203.6	165.0	598.4	468.8	651.6
(g) Other expenses	1,538.7	1,615.3	1,535.8	4,685.2	4,816.8	6,192.7
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Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2019

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3. Effective 1 April 2019, the Group (Parent and its Subsidiary) has adopted Ind AS 116 'Leases' using the modified retrospective transition method and, accordingly, the comparatives for earlier periods presented have not been restated. The Group has chosen to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.
On transition to Ind AS 116, the Group recognised right-of-use assets amounting to Rs. 669 Mn and lease liability amounting to Rs. 654 Mn. During the current quarter and nine months ended 31 December 2019, the reported adjustments to following line items are as under:

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**Gurugram
6 February 2020**



**Rajiv Rajgopal
Managing Director**



Media release

Gurugram, February 6, 2020

AkzoNobel India announces Q3 FY 2019-20 results

Akzo Nobel India, a leading Paints and Coatings company and makers of Dulux Paints, today at the Board meeting announced its unaudited financial results for the quarter ended December 31, 2019.

Performance highlights

Q3 FY20 versus Q3 FY19

- **Revenue from operations** at ₹727 crore, decline 7%
- **EBIT from operations** at ₹96.8 crore, up 14%
- **Profit after tax** at ₹76.9 crore up 27%

Commenting on the performance, **Rajiv Rajgopal, Managing Director, Akzo Nobel India** said, “Overall in the quarter, the industry saw muted growth because of sluggish demand and slowdown in automobile and real estate sectors. We continued to focus on profitability improvement on the back of improved mix and cost management.”

“We’re proud that AkzoNobel’s coating technology has been applied on high-speed trains in India providing sheen, protection against corrosion as well as anti-scratch properties,” added Rajiv Rajgopal.

The third phase of the solar installation project in our Thane plant has been commissioned recently. Renewable energy usage is also steadily growing in all sites, which illustrates our commitment to reducing our environmental footprint.

About AkzoNobel:

AkzoNobel has a passion for paint. We’re experts in the proud craft of making paints and coatings, setting the standard in color and protection since 1792. Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. Headquartered in the Netherlands, we are active in over 150 countries and employ around 34,500 talented people who are passionate about delivering the high-performance products and services our customers expect.

About AkzoNobel India:

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. With employee strength of over 1,700, AkzoNobel India has manufacturing sites, offices and a distribution network spread across the country. All manufacturing 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 report contains 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 forecast and actual results to differ 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. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more comprehensive discussion of the risk factors affecting our business, please see our latest annual report.

Company Contacts

Investor Relations, AkzoNobel India:

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Country Communications, AkzoNobel India

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