

08 November 2019

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 30 September 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 5.45 pm.

Yours faithfully,  
For Akzo Nobel India Limited



R Guha  
Company Secretary

Encl: as above.

**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 six months ended 30 September 2019**

Particulars	Quarter ended					For the year ended 31 March 2019
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
<b>1 Income from operations</b>						
(a) Revenue from operations	6,338.2	7,196.9	7,138.0	13,535.1	14,294.9	29,183.5
(b) Other income	66.8	79.4	80.8	146.2	172.2	422.2
<b>Total Income from operations</b>	<b>6,405.0</b>	<b>7,276.3</b>	<b>7,218.8</b>	<b>13,681.3</b>	<b>14,467.1</b>	<b>29,605.7</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	2,621.2	3,782.5	3,709.9	6,403.7	7,559.1	14,990.0
(b) Purchase of stock-in-trade	735.3	345.7	621.8	1,081.0	994.6	2,065.3
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(9.6)	(186.9)	(260.5)	(196.5)	(343.3)	(143.8)
(d) Employee benefits expense	646.7	688.3	674.8	1,335.0	1,424.0	2,650.4
(e) Finance costs	28.1	25.3	4.7	53.4	13.6	44.5
(f) Depreciation and amortisation expense	203.6	202.0	153.0	405.6	301.8	651.6
(g) Other expenses	1,616.6	1,533.5	1,740.0	3,150.1	3,284.0	6,198.6
<b>Total expenses</b>	<b>5,841.9</b>	<b>6,390.4</b>	<b>6,643.7</b>	<b>12,232.3</b>	<b>13,233.8</b>	<b>26,456.6</b>
<b>3 Profit from operations before exceptional items and tax(1-2)</b>	<b>563.1</b>	<b>885.9</b>	<b>575.1</b>	<b>1,449.0</b>	<b>1,233.3</b>	<b>3,149.1</b>
<b>4 Exceptional Items - Income</b>	-	-	4.5	-	4.5	6.5
<b>5 Profit before tax from operations (3+4)</b>	<b>563.1</b>	<b>885.9</b>	<b>579.6</b>	<b>1,449.0</b>	<b>1,237.8</b>	<b>3,155.6</b>
<b>6 Tax expense</b>						
(a) Current tax (Net)	61.7	369.7	226.2	431.4	474.8	1,098.0
(b) Deferred tax	8.9	(55.2)	(14.1)	(46.3)	(39.6)	(52.2)
<b>7 Profit for the period from operations (5-6)</b>	<b>492.5</b>	<b>571.4</b>	<b>367.5</b>	<b>1,063.9</b>	<b>802.6</b>	<b>2,109.8</b>
<b>8 Other comprehensive (expense)/income, net of income tax from operations</b>						
(A) (i) Items that will not be reclassified to profit or loss	(18.2)	(43.0)	(0.5)	(61.2)	(8.6)	(110.2)
(ii) Income tax relating to items that will not be reclassified to profit or loss	4.6	15.0	0.2	19.6	3.0	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	-	-	-	-	-	-
<b>9 Total comprehensive Income for the period</b>	<b>478.9</b>	<b>543.4</b>	<b>367.2</b>	<b>1,022.3</b>	<b>797.0</b>	<b>2,038.7</b>
<b>10 Paid - up equity share capital (Shares of Rs 10 each)</b>	455.4	455.4	455.4	455.4	455.4	455.4
<b>11 Earnings per share (of Rs. 10 each) (not annualised) from operations:</b>						
(a) Basic	10.81	12.55	8.01	23.36	17.35	45.96
(b) Diluted	10.81	12.55	8.01	23.36	17.35	45.96



**Akzo Nobel India Limited**

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

**CIN: L24292WB1954PLC021516**

**Standalone statement of Assets and Liabilities as at 30 September 2019**

(Rs. in Million)

Particulars	As at 30 September 2019	As at 31 March 2019
	(Unaudited)	(Audited)
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant & equipment	5,761.9	5,214.4
(b) Capital work-in-progress	255.7	169.1
(c) Intangible assets	79.8	86.9
(d) Financial assets		
(i) Investments	809.2	777.9
(ii) Other bank balances	5.8	5.6
(iii) Loans	93.6	70.1
(e) Deferred tax assets	96.9	31.0
(f) Other non-current assets	524.6	522.1
<b>Total non-current assets</b>	<b>7,627.5</b>	<b>6,877.1</b>
<b>2 Current assets</b>		
(a) Inventories	4,356.0	3,918.9
(b) Financial assets		
(i) Investments	-	2,994.6
(ii) Trade receivables	3,553.4	4,440.0
(iii) Cash & cash equivalents	1,363.8	324.1
(iv) Bank balances other than (iii) above	2,113.1	291.9
(v) Loans	40.8	37.1
(vi) Other financial assets	69.8	66.3
(c) Other current assets	1,007.2	1,346.1
(d) Current tax assets (net)	911.7	674.8
<b>Total current assets</b>	<b>13,415.8</b>	<b>14,093.8</b>
<b>Total Assets</b>	<b>21,043.3</b>	<b>20,970.9</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity Share capital	455.4	455.4
(b) Other Equity	10,604.6	10,900.2
<b>Total equity</b>	<b>11,060.0</b>	<b>11,355.6</b>
<b>Liabilities</b>		
<b>2 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	649.4	29.3
(ii) Other financial liabilities (other than those specified in item (i) above)	177.6	142.4
(b) Provisions	649.2	578.7
(c) Other non-current liabilities	35.8	20.5
<b>Total non-current liabilities</b>	<b>1,512.0</b>	<b>770.9</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	123.3	-
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	27.9	34.8
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,516.1	6,028.3
(iii) Other financial liabilities (other than those specified in item (ii) above)	1,027.7	920.6
(b) Provisions	286.8	314.3
(c) Other current liabilities	1,489.5	1,546.4
<b>Total current liabilities</b>	<b>8,471.3</b>	<b>8,844.4</b>
<b>Total liabilities</b>	<b>9,983.3</b>	<b>9,615.3</b>
<b>Total equity and liabilities</b>	<b>21,043.3</b>	<b>20,970.9</b>



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**CIN: L24292WB1954PLC021516**

**(Rs in Million)**

**Standalone Statement of Cash Flows**

Particulars	For the six months ended	For the six months ended
	30 September 2019	30 September 2018
	Unaudited	Unaudited/Unreviewed
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from	1,449.0	1,237.8
Adjustments for:		
Depreciation and amortisation expense	405.6	301.8
Loss on write-off of property, plant and equipment (net)	-	0.9
Exceptional income	2.1	4.5
Provision for inventory obsolescence	55.2	53.9
Provision for bad and doubtful debts/advances (including write offs)	(6.2)	50.2
Government grant income	(56.3)	(6.8)
Interest income	(31.4)	(4.8)
Interest income from financial assets at amortised cost - Bonds	(191.0)	(26.7)
Net fair value gain/(loss) on investments measured at FVTPL	138.6	31.0
Gain on sale of investments	53.4	(164.9)
Finance costs		13.7
	<b>1,819.0</b>	<b>1,488.6</b>
<b>Operating Profit / (Loss) before working capital changes</b>		
Movements in working capital:		
(Increase) / Decrease in inventories	(439.1)	(905.8)
(Increase) / Decrease in trade receivables	909.7	254.1
(Increase) / Decrease in loans	(27.0)	2.3
(Increase) / Decrease in other financial assets	5.8	(2.5)
(Increase) / Decrease in other assets	311.7	37.6
(Decrease) / Increase in trade payables	(517.2)	161.6
(Decrease) / Increase in other financial liabilities	159.6	194.4
(Decrease) / Increase in provisions	(18.5)	25.3
(Decrease) / Increase in other liabilities	(41.1)	(152.0)
<b>Net cash generated from operations</b>	<b>2,162.9</b>	<b>1,103.8</b>
Income tax paid (net)	(665.5)	(449.9)
<b>Net cash inflow from operating activities (A)</b>	<b>1,497.4</b>	<b>653.7</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment	(321.3)	(184.2)
Payments for purchase of investments	(2,930.0)	(7,500.0)
Proceeds from sale of investments	5,976.4	10,518.6
Government grant received	-	35.4
Fixed deposits and current account balances with banks (Earmarked)	(1,821.3)	(107.5)
Interest received	9.9	4.3
<b>Net cash inflow from investing activities (B)</b>	<b>913.7</b>	<b>2,766.6</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,093.0)	(1,002.0)
Dividend distribution tax paid	(225.0)	(206.0)
Payment towards buy back of shares	-	(2,376.6)
Interest paid	(53.4)	(8.4)
<b>Net cash (outflow) from financing activities (C)</b>	<b>(1,371.4)</b>	<b>(3,593.0)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,039.7</b>	<b>(172.7)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>324.1</b>	<b>661.8</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,363.8</b>	<b>489.1</b>

**Notes:**

(i) The statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.



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**CIN: L24292WB1954PLC021516**

**Standalone Unaudited Financial Results for the quarter and six months ended 30 September 2019**

**Notes:**

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8 November 2019. The figures for the quarter and six months ended 30 September 2019 have been subjected to limited review by the statutory auditors.
2. Exceptional items reported during the quarter ended 30 September 2018 and year ended 31 March 2019 represent divestment provisions no longer required written back.
3. Effective April 1, 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 six months ended 30 September 2019, the reported adjustments to following line items are as under:

Particulars	Rs. In Million	
	Quarter ended 30 September 2019	Six months ended 30 September 2019
Increase in Depreciation	41.8	82.8
Increase in Finance Cost	14.7	28.7
Decrease in Other Expense	47.9	100.9
Decrease in Profit Before Tax	8.6	10.6

4. The Company has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge & cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 effective 1 April 2019. Consequent to this change, the tax balances have been remeasured at this reduced rate of 25.17%, which has resulted in reversal of current tax recognised in the previous quarter of Rs. 99.8 Mn and deferred tax asset (net) of Rs. 31.9 Mn during the quarter and six months ended 30 September 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 six months ended 30 September 2019.
6. Previous period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current period figures.

**Gurugram**  
**8 November 2019**

  
**Rajiv Rajgopal**  
**Managing Director**

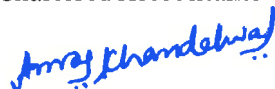


# Price Waterhouse Chartered Accountants LLP

To  
The Board of Directors  
Akzo Nobel India Limited  
DLF Epitome  
Building No. 5, Tower A,  
20 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 and the six months ended 30 September 2019, which are included in the accompanying Statement of Standalone Unaudited Financial Results for the quarter and six months ended 30 September 2019, the statement of assets and liabilities as on that date and the statement of cash flows for the six months ended 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, as amended (the “Listing Regulations, 2015”), which has been initialled by us for identification purposes. Attention is drawn to the fact that the statement of cash flows for the corresponding period from 1 April 2018 to 30 September 2018, as reported in the Statement have been approved by the Company’s Board of Directors, but have not been subjected to review. 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: 19078571AAAABQ7717  
Place: Gurugram  
Date: 8 November 2019

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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)

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**CIN: L24292WB1954PLC021516**

**Statement of Consolidated Unaudited Financial Results for the quarter and six months ended 30 September 2019**

Particulars	Quarter ended					For the year ended 31 March 2019
	30 September 2019	30 June 2019	30 September 2018	30 September 2019	30 September 2018	
	(Unaudited)	(Unaudited)	(Refer Note 1)	(Unaudited)	(Refer Note 1)	
						(Rs. in Million)
<b>1 Income from operations</b>						
(a) Revenue from operations	6,338.2	7,196.9	7,138.0	13,535.1	14,294.9	29,183.5
(b) Other income	66.8	79.4	80.8	146.2	172.2	422.2
<b>Total income from operations</b>	<b>6,405.0</b>	<b>7,276.3</b>	<b>7,218.8</b>	<b>13,681.3</b>	<b>14,467.1</b>	<b>29,605.7</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	2,621.2	3,782.5	3,709.9	6,403.7	7,559.1	14,990.0
(b) Purchase of stock-in-trade	735.3	345.7	621.8	1,081.0	994.6	2,065.3
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(9.6)	(186.9)	(260.5)	(196.5)	(343.3)	(143.8)
(d) Employee benefits expense	648.0	690.5	675.5	1,338.5	1,426.9	2,656.1
(e) Finance costs	28.1	25.3	4.7	53.4	13.6	44.5
(f) Depreciation and amortisation expense	203.6	202.0	153.0	405.6	301.8	651.6
(g) Other expenses	1,615.3	1,531.3	1,739.3	3,146.6	3,281.1	6,192.7
<b>Total expenses</b>	<b>5,841.9</b>	<b>6,390.4</b>	<b>6,643.7</b>	<b>12,232.3</b>	<b>13,233.8</b>	<b>26,456.4</b>
<b>3 Profit from operations before exceptional items and tax(1-2)</b>	<b>563.1</b>	<b>885.9</b>	<b>575.1</b>	<b>1,449.0</b>	<b>1,233.3</b>	<b>3,149.3</b>
<b>4 Exceptional Items - Income</b>	-	-	4.5	-	4.5	6.5
<b>5 Profit before tax from operations (3+4)</b>	<b>563.1</b>	<b>885.9</b>	<b>579.6</b>	<b>1,449.0</b>	<b>1,237.8</b>	<b>3,155.8</b>
<b>6 Tax expense</b>						
(a) Current tax (net)	61.7	369.7	226.2	431.4	474.8	1,098.0
(b) Deferred tax	8.9	(55.2)	(14.1)	(46.3)	(39.6)	(52.2)
<b>7 Profit for the period from operations (5-6)</b>	<b>492.5</b>	<b>571.4</b>	<b>367.5</b>	<b>1,063.9</b>	<b>802.6</b>	<b>2,110.0</b>
<b>8 Other comprehensive (expense)/income, net of income tax from operations</b>						
(A) (i) Items that will not be reclassified to profit or loss	(18.2)	(43.0)	(0.5)	(61.2)	(8.6)	(110.4)
(ii) Income tax relating to items that will not be reclassified to profit or loss	4.6	15.0	0.2	19.6	3.0	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	-	-	-	-	-	-
<b>9 Total comprehensive income for the period</b>	<b>478.9</b>	<b>543.4</b>	<b>367.2</b>	<b>1,022.3</b>	<b>797.0</b>	<b>2,038.7</b>
<b>10 Paid - up equity share capital (Shares of Rs 10 each)</b>	<b>455.4</b>	<b>455.4</b>	<b>455.4</b>	<b>455.4</b>	<b>455.4</b>	<b>455.4</b>
<b>11 Earnings per share (of Rs. 10 each) (not annualised) from operations:</b>						
(a) Basic	10.81	12.55	8.01	23.36	17.35	45.96
(b) Diluted	10.81	12.55	8.01	23.36	17.35	45.96



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CIN: L24292WB1954PLC021516**

**Consolidated statement of Assets and Liabilities as at 30 September 2019**

Particulars	(Rs. in Million)	
	As at 30 September 2019	As at 31 March 2019
	(Unaudited)	(Audited)
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant & equipment	5,762.0	5,214.4
(b) Capital work-in-progress	255.7	169.1
(c) Intangible assets	79.8	86.9
(d) Financial assets		
(i) Investments	809.2	777.9
(ii) Other bank balances	5.8	5.6
(iii) Loans	93.6	70.1
(e) Deferred tax assets	96.9	31.0
(f) Other non-current assets	526.2	522.1
<b>Total non-current assets</b>	<b>7,629.2</b>	<b>6,877.1</b>
<b>2 Current assets</b>		
(a) Inventories	4,356.0	3,918.9
(b) Financial assets		
(i) Investments	-	2,994.6
(ii) Trade receivables	3,553.4	4,440.0
(iii) Cash & cash equivalents	1,370.1	332.9
(iv) Bank balances other than (iii) above	2,113.1	291.9
(v) Loans	40.8	37.1
(vi) Other financial assets	69.8	65.3
(c) Other current assets	1,007.2	1,346.1
(d) Current tax assets (net)	911.7	674.8
<b>Total current assets</b>	<b>13,422.1</b>	<b>14,101.6</b>
<b>Total Assets</b>	<b>21,051.3</b>	<b>20,978.7</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity Share capital	455.4	455.4
(b) Other Equity	10,611.7	10,907.0
<b>Total equity</b>	<b>11,067.1</b>	<b>11,362.4</b>
<b>Liabilities</b>		
<b>2 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	649.4	29.3
(ii) Other financial liabilities (other than those specified in item (i) above)	177.6	142.4
(b) Provisions	649.8	579.2
(d) Other non-current liabilities	35.8	20.5
<b>Total non-current liabilities</b>	<b>1,512.6</b>	<b>771.4</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	123.3	-
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	27.9	34.8
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,516.2	6,028.7
(iii) Other financial liabilities (other than those specified in item (ii) above)	1,027.8	920.7
(b) Provisions	286.8	314.3
(c) Other current liabilities	1,489.6	1,546.4
<b>Total current liabilities</b>	<b>8,471.6</b>	<b>8,844.9</b>
<b>Total liabilities</b>	<b>9,984.2</b>	<b>9,616.3</b>
<b>Total equity and liabilities</b>	<b>21,051.3</b>	<b>20,978.7</b>



✓



## Akzo Nobel India Limited

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

CIN: L24292WB1954PLC021516

## Consolidated Statement of Cash Flows

(Rs in Million)

Particulars	For the six months ended	For the six months ended
	30 September 2019	30 September 2018
	Unaudited	Unaudited/Unreviewed
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from	1,449.0	1,237.8
Adjustments for:		
Depreciation and amortisation expense	405.6	301.8
Loss on write-off of property, plant and equipment (net)	-	0.9
Exceptional income	-	4.5
Provision for inventory obsolescence	2.1	53.9
Provision for bad and doubtful debts/advances (including write offs)	55.2	50.2
Government grant income	(6.2)	(6.8)
Interest income	(56.3)	(4.8)
Interest income from financial assets at amortised cost - Bonds	(31.4)	(28.7)
Net fair value gain/(loss) on investments measured at FVTPL	138.6	31.0
Gain on sale of investments	(191.0)	(164.9)
Finance costs	53.4	13.7
<b>Operating Profit / (Loss) before working capital changes</b>	<b>1,819.0</b>	<b>1,488.6</b>
Movements in working capital:		
(Increase) / Decrease in inventories	(439.1)	(905.8)
(Increase) / Decrease in trade receivables	909.7	254.1
(Increase) / Decrease in loans	(27.0)	2.6
(Increase) / Decrease in other financial assets	5.8	(2.3)
(Increase) / Decrease in other assets	309.2	38.1
(Decrease) / Increase in trade payables	(517.2)	161.0
(Decrease) / Increase in other financial liabilities	159.6	177.3
(Decrease) / Increase in provisions	(18.5)	24.8
(Decrease) / Increase in other liabilities	(41.1)	(152.5)
<b>Net cash generated from operations</b>	<b>2,160.4</b>	<b>1,085.9</b>
Income tax paid (net)	(665.5)	(449.9)
<b>Net cash inflow from operating activities (A)</b>	<b>1,494.9</b>	<b>636.0</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment	(321.3)	(184.2)
Payments for purchase of investments	(2,930.0)	(7,500.0)
Proceeds from sale of investments	5,976.4	10,518.6
Government grant received	-	35.4
Fixed deposits and current account balances with banks (Earmarked)	(1,821.3)	(107.5)
Interest received	9.9	4.3
<b>Net cash (outflow) / inflow from investing activities (B)</b>	<b>913.7</b>	<b>2,766.6</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,093.0)	(1,002.0)
Dividend distribution tax paid	(225.0)	(206.0)
Payment towards buy back of shares	-	(2,376.6)
Interest paid	(53.4)	(8.4)
<b>Net cash (outflow) from financing activities (C)</b>	<b>(1,371.4)</b>	<b>(3,593.0)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,037.2</b>	<b>(190.4)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>332.9</b>	<b>688.6</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,370.1</b>	<b>498.2</b>

## Notes:

(i) The statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 Statement of Cash Flows.



**Consolidated Unaudited Financial Results for the quarter and six months ended 30 September 2019**

**Notes:**

1. This statement has been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 8 November 2019. The figures for the quarter and six months ended 30 September 2018 have not been subjected to limited review by the statutory auditors.
2. Exceptional items reported during the quarter ended 30 September 2018 and year ended 31 March 2019 represent divestment provisions no longer required written back.
3. Effective April 1, 2019, the Group (Parent & 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 six months ended 30 September 2019, the reported adjustments to following line items are as under:

Particulars	Rs. In Million	
	Quarter ended 30 September 2019	Six months ended 30 September 2019
Increase in Depreciation	41.8	82.8
Increase in Finance Cost	14.7	28.7
Decrease in Other Expense	47.9	100.9
Decrease in Profit Before Tax	8.6	10.6

4. The Company has chosen to exercise the option of lower tax rate of 25.17% (inclusive of surcharge & cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 effective 1 April 2019. Consequent to this change, the tax balances have been remeasured at this reduced rate of 25.17%, which has resulted in reversal of current tax recognised in the previous quarter of Rs. 99.8 Mn and deferred tax asset (net) of Rs. 31.9 Mn during the quarter and six months ended 30 September 2019.
5. The Group operates in single segment viz. Coatings. Therefore, separate segment disclosures under the provisions of Ind AS 108 have not been given in respect of Consolidated Financial Results for the quarter and six months ended 30 September 2019.
6. Previous period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current period figures.

**Gurugram**  
**8 November 2019**



**Rajiv Rajgopal**  
**Managing Director**

# Price Waterhouse Chartered Accountants LLP

To  
The Board of Directors  
Akzo Nobel India Limited  
DLF Epitome  
Building No. 5, Tower A,  
20<sup>th</sup> Floor, DLF Cyber City Phase III,  
Gurugram – 122002  
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 the six months ended 30 September 2019, which are included in the accompanying Statement of Consolidated Unaudited Financial Results for the quarter and six months ended 30 September 2019, the unaudited consolidated statement of assets and liabilities as on that date and the consolidated statement of cash flows for the six months ended on that date (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 30 September 2018 and the corresponding period from 1 April 2018 to 30 September 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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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)

## Media release

Gurugram, November 8, 2019

### AkzoNobel India announces Q2 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 and six months ended 30 September 2019. For the said quarter, the company declared revenue from operations at ₹634 crores and a Profit after Tax (PAT) at ₹49 crores, a growth of 34% over the corresponding quarter of the previous year.

### Performance highlights

#### Q2 FY20 versus Q2 FY19

- **Revenue from operations** at ₹634 crores, declined 11%
- **EBIT from operations** at ₹52 crores, up 5%
- **Profit after tax** at ₹49 crores up 34%

Commenting on the performance, **Rajiv Rajgopal, Managing Director, AkzoNobel India** said, “As we restructure our product portfolio and take actions to improve our mix, we have seen a continued positive impact on our gross margins and profitability. This quarter has seen headwinds in some sectors, mainly Automotive. Our waterproofing range was enhanced with the launch of Dulux Aquatech Roof and Interior Basecoat. Additionally, we introduced Dulux Ambiance Velvet Touch – an exclusive range of super premium interior and special effects paints. Both launches received an encouraging response.”

Rajiv added “Over the years, as part of ‘AkzoNobel Cares’ initiative, we have been using our expertise to help transform communities. This time, we went a step ahead in providing ‘Skills at Doorstep’ through our training van (Kaushal Vahan) to the rural youth. This van is travelling to rural India to facilitate specialized skill training to the painters at grass-root level and promoting Health and Safety awareness.”

#### 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**

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