

22 May 2021

Department of Corporate Services  
BSE Limited  
1st floor, New Trading Ring  
Rotunda Building, P J Towers  
Dalal Street, Fort  
Mumbai - 400 001  
Scrip Code: 500710

The Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5th floor,  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai – 400051  
Symbol: AKZOINDIA

Dear Sir,

**Outcome of Board Meeting held on 22 May 2021**

The Board of Directors of Akzo Nobel India Limited, at its meeting held today, has considered and resolved as follows:

- 1. Financial Results:** Approved the Audited Standalone & Consolidated Financial Results of the Company for the quarter and year ended March 31, 2021. Copy of the Financial Results along with the audit report and the Press Release issued by the Company today are enclosed herewith.
- 2. Dividend:** Recommended final dividend of Rs 30/- (Rupees thirty only) per equity share for the financial year 2020-21. This dividend will be paid if approved by the shareholders at the forthcoming Annual General Meeting. The total dividend for the financial year aggregates to Rs 50/- (Rupees fifty only) per share, including interim dividend of Rs. 20/- (Rupees twenty only) per share, approved by the Board on 9 February 2021 and paid subsequently.
- 3. Changes in Directorate:** Details are being notified separately.
- 4. Annual General Meeting and Book Closure:** Details will be notified in due course.

The board meeting commenced at 2.00 pm and concluded at 4:45 pm

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Statutory Auditors of the Company have issued audit reports on the Standalone & Consolidated financial results of the Company for the financial year ended March 31, 2021, with an unmodified opinion.

Yours faithfully  
for **Akzo Nobel India Limited**



**Harshi Rastogi**  
Company Secretary  
Membership#A13642

Encl: as above

# Price Waterhouse Chartered Accountants LLP

## Independent auditor's report

### To the Members of Akzo Nobel India Limited

### Report on the audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Akzo Nobel India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 39 to the standalone financial statements, which describes the management's assessment of the impact of outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments, other than those already considered, are required in the standalone financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as lock-down restrictions by the government authorities, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 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 - 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-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)

**Key audit matters**

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matters	How our audit addressed the key audit matters
<p>A. Revenue recognition including variable consideration</p> <p>[Refer to Notes 1(o) (Significant accounting policies) and 18 (Revenue from operations) to the standalone financial statements]</p> <p>The Company recognises revenues when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Company expects to receive for those goods from customers. The sales arrangements are voluminous and in determining the sales price, the Company considers the effects of variable consideration requiring estimation, which creates complexities and application of significant effort and judgment.</p> <p>Considering these judgements, estimates and the risk associated with revenue recognition, the matter has determined to be a key audit matter.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> <li>We assessed the design and tested the operating effectiveness of internal controls related to recognition of revenue including variable consideration.</li> <li>We performed test for a sample of individual sales transaction by comparing the underlying sales invoices, sales orders and dispatch documents to assess that revenue is recognised on transfer of control over those goods to the customer.</li> <li>We tested on a sample basis rebates and discount provided to the customers, comparing the same with underlying approvals.</li> <li>We read and assessed the relevant disclosures made in the standalone financial statements.</li> </ul> <p>Based on the above procedures, we did not identify any significant deviation to the assessment made by the management in respect of revenue recognition including variable consideration.</p>





Description of the key audit matters	How our audit addressed the key audit matters
<p><b>B. Assessment of ongoing income tax and indirect tax litigations</b></p> <p>[Refer to Notes 1(l) and 1(m) (Significant accounting policies), Note 26 (b) (Contingent liabilities), Note 6.2 [Non current tax assets(net)], Note 13 (Provisions) to the standalone financial statements]</p> <p>As at 31 March 2021, the Company is subjected to a number of significant income tax litigations relating to disallowance of expenses, transfer pricing adjustments etc. and indirect tax litigations relating to taxable turnover, availability of statutory forms etc. (together referred to as "litigations"). These matters are in appeal before various judicial forums.</p> <p>The eventual outcome of these litigations is uncertain and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.</p> <p>Based on management judgement and the advice from external legal and tax consultants and considering the merits of the case, the Company has recognised provisions wherever required and for the balance matters, where the management expects favourable outcome, these litigations have been disclosed as contingent liabilities in the standalone financial statements unless the possibility of outflow of resources is considered to be remote.</p> <p>Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.</p>	<p>Our procedures on the management's assessment of these matters included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls;</li> <li>• Gaining an understanding of the tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to the year end;</li> <li>• Inspecting demand notices received from tax authorities and evaluating the Company's response to those matters;</li> <li>• Obtaining independent confirmations from the Company's external tax experts including the status of the significant litigations, their views regarding the likely outcome and magnitude of the potential exposure;</li> <li>• Evaluating the management's assessment on the likely outcome and potential magnitude by involving auditor's experts on complex or significant matters as considered necessary; and</li> <li>• Assessing the adequacy of the Company's disclosures.</li> </ul> <p>We did not identify any significant exceptions to the management's assessment of the ongoing income tax and indirect tax litigations as a result of the above procedures.</p>





## INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited  
Report on audit of the Standalone Financial Statements  
Page 4 of 6

### Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the standalone financial statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's responsibilities for the audit of the standalone financial statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from





## INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited  
Report on audit of the Standalone Financial Statements  
Page 5 of 6

- error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.





INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited  
Report on audit of the Standalone Financial Statements  
Page 6 of 6

- c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 15(b) above that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its standalone financial position in its standalone financial statements – Refer Note 26(a) and 26(b) to the standalone financial statements.
    - ii. The Company has long-term contracts as at 31 March 2021 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at 31 March 2021.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31 March 2021.
16. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 21078571AAAAAZ5533  
Place: Gurugram  
Date: 22 May 2021

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 15(g) of the Independent Auditors' Report of even date to the members of Akzo Nobel India Limited on the standalone financial statements for the year ended 31 March 2021

Page 1 of 2

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of Akzo Nobel India Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.





## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 15(g) of the Independent Auditors' Report of even date to the members of Akzo Nobel India Limited on the standalone financial statements for the year ended 31 March 2021

Page 2 of 2

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

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



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 21078571AAAAAZ5533  
Place: Gurugram  
Date: 22 May 2021

## Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Akzo Nobel India Limited on the standalone financial statements as of and for the year ended 31 March 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets (property, plant and equipment).
- (b) The fixed assets (property, plant and equipment) are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets (property, plant and equipment) to the financial statements, are held in the name of the Company, except:

Nature	Rs. in Million	
	Gross Book Value	Net Book Value
Two cases of leasehold land at Mysore and Mahad for which lease agreements are yet to be registered in the name of the Company including the one transferred as part of discontinued operations during the year ended 31 March 2018	188	185
One case of leasehold land at Thane location for which original title deed is not in possession of the Company	7	3

- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.





**Annexure B to Independent Auditors' Report**

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Akzo Nobel India Limited on the standalone financial statements as of and for the year ended 31 March 2021  
Page 2 of 4

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of professional tax and provident fund though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 26(c) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and services tax, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at 31 March 2021, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the dues	Amount	Amount paid under protest	Assessment year to which the amount relates	Forum where the dispute is pending
		(Rs. Mn)	(Rs. Mn)		
Income Tax Act, 1961	Income tax	249	209	2003-04, 2004-05, 2010-11, 2011-12, 2012-13 and 2013-14	Assessing Officer
Income Tax Act, 1961	Income tax	91	84	2008-09 and 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	1,722	587	2007-08, 2008-09, 2014-15, 2015-16 and 2016-17	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	159	-	1996-97, 1998-99, 2006-07 & 2007-08	Calcutta High Court
The Central Excise Act, 1944	Excise Duty	2	-	2006-07 & 2007-08	Additional Commissioner/Joint Commissioner
The Central Excise Act, 1944	Excise Duty	53	-	2000-01, 2002-03, 2004-05, 2005-06 and 2015-16 to 2017-18	Commissioner (Appeals), Joint Commissioner Appeals
The Central Excise Act, 1944	Excise Duty	38	-	1991-92 to 1999-2000, 2004-05, 2005-06, 2009-10 & 2012-13	Customs Excise And Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	1	-	2004-06	Karnataka High Court
The Finance Act, 1994	Service Tax	26	-	2012-13, 2013-14, 2014-15 & 2016-17	Customs Excise And Service Tax Appellate Tribunal



**Annexure B to Independent Auditors' Report**

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Akzo Nobel India Limited on the standalone financial statements as of and for the year ended 31 March 2021  
Page 3 of 4

Name of the Statute	Nature of the dues	Amount	Amount paid under protest	Assessment year to which the amount relates	Forum where the dispute is pending
		(Rs. Mn)	(Rs. Mn)		
The Finance Act, 1994	Service Tax	20	-	2013-14 to 2017-18	Commissioner Appeals
State Sales Tax / Value Added Tax as per statutes applicable in various states	Sales Tax	324	80	1982-83 to 2000-01, 2002-03 to 2017-18 and 2020-21	Additional Commissioner/Joint Commissioner/ Deputy Commissioner/ Assistant Commissioner/ Commercial Tax Inspector
State Sales Tax /Value Added Tax as per statutes applicable in various states	Sales Tax	10	2	2007-08, 2008-09, 2012-13, 2014-15 and 2015-16	Appellate and Revisional Board/ Commissioner Appeal/Additional Commissioner (Appeals)
State Sales Tax /Value Added Tax as per statutes applicable in various states	Sales Tax	12	3	2004-05 to 2006-07, 2008-09 to 2011-12	Sales Tax Tribunal
State Sales Tax /Value Added Tax as per statutes applicable in various states	Sales Tax	24	2	2005-06, 2006-07, 2009-10, 2010-11 and 2012-13	Madhya Pradesh High Court, Allahabad High Court and Madras High Court
<b>Total</b>		<b>2,731</b>	<b>967</b>		

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to Government as at the balance sheet date. The Company does not have any loans or borrowings from any financial institution or bank, nor has it issued any debentures as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.





## **Annexure B to Independent Auditors' Report**

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Akzo Nobel India Limited on the standalone financial statements as of and for the year ended 31 March 2021  
Page 4 of 4

- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 16 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 21078571AAAAAZ5533  
Place: Gurugram  
Date: 22 May 2021

**Akzo Nobel India Limited**

**Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071**  
**CIN: L24292WB1954PLC021516**

**Statement of Standalone Financial Results for the quarter and twelve months ended 31 March 2021 and 31 March 2020**

(Rs. in Million)

Particulars	Quarter ended			For the year ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
	(Refer Note 2)	(Unaudited)	(Refer Note 2)	(Audited)	(Audited)
<b>1 Income</b>					
(a) Revenue from operations	7,813.5	7,746.4	5,812.7	24,213.5	26,618.1
(b) Other income	57.5	57.1	158.1	232.5	376.2
<b>Total income</b>	<b>7,871.0</b>	<b>7,803.5</b>	<b>5,970.8</b>	<b>24,446.0</b>	<b>26,994.3</b>
<b>2 Expenses</b>					
(a) Cost of materials consumed	4,296.0	3,424.5	2,965.0	11,662.1	12,009.0
(b) Purchase of stock-in-trade	578.3	399.4	1,066.0	1,737.3	2,675.0
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(407.0)	398.8	(833.2)	(171.8)	(258.8)
(d) Employee benefits expense	650.2	668.1	585.3	2,510.9	2,550.8
(e) Finance costs	14.5	32.6	9.2	102.5	93.4
(f) Depreciation and amortisation expense	189.1	204.1	191.7	755.4	790.1
(g) Other expenses	1,558.7	1,505.2	1,160.7	5,067.9	5,850.9
<b>Total expenses</b>	<b>6,879.8</b>	<b>6,632.7</b>	<b>5,144.7</b>	<b>21,664.3</b>	<b>23,710.4</b>
<b>3 Profit / (Loss) from operations before exceptional items and tax (1-2)</b>	<b>991.2</b>	<b>1,170.8</b>	<b>826.1</b>	<b>2,781.7</b>	<b>3,283.9</b>
<b>4 Exceptional items - Income / (Expense) (Refer note 4)</b>	-	-	(87.2)	-	(52.3)
<b>5 Profit / (Loss) before tax from operations (3+4)</b>	<b>991.2</b>	<b>1,170.8</b>	<b>738.9</b>	<b>2,781.7</b>	<b>3,231.6</b>
<b>6 Tax expense</b>					
(a) Current tax (net)	294.1	322.3	218.2	762.9	929.7
(b) Deferred tax	(45.0)	(25.2)	(19.6)	(57.2)	(72.2)
<b>7 Profit / (Loss) for the period from operations (5-6)</b>	<b>742.1</b>	<b>873.7</b>	<b>540.3</b>	<b>2,076.0</b>	<b>2,374.1</b>
<b>8 Other comprehensive income, net of income tax items that will not be reclassified to profit or loss</b>					
(A) (i) Gain/(Loss) of defined benefit obligations	21.6	(17.7)	74.5	(32.9)	(50.7)
(ii) Income tax relating to above	(5.4)	4.4	(18.4)	8.3	13.1
(B) (i) Changes in fair value of FVOCI equity instruments	*	-	(1.2)	*	(1.2)
(ii) Income tax relating to above	*	-	0.3	*	0.3
<b>Other comprehensive income for the period / year, net of income tax</b>	<b>16.2</b>	<b>(13.3)</b>	<b>55.2</b>	<b>(24.6)</b>	<b>(38.5)</b>
<b>9 Total comprehensive income for the period (7+8)</b>	<b>758.3</b>	<b>860.4</b>	<b>595.5</b>	<b>2,051.4</b>	<b>2,335.6</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>11 Earnings per share (of Rs. 10 each) (not annualised) from operations:</b>					
(a) Basic	<b>16.31</b>	<b>19.18</b>	<b>11.86</b>	<b>45.60</b>	<b>52.13</b>
(b) Diluted	<b>16.31</b>	<b>19.18</b>	<b>11.86</b>	<b>45.60</b>	<b>52.13</b>

\*Amount is below rounding off norms, adopted by the Company



*Handwritten signature in blue ink.*

*Handwritten signature in blue ink.*

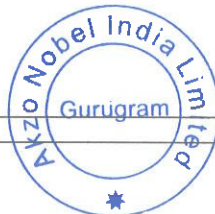


**Akzo Nobel India Limited**

**Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071  
CIN: L24292WB1954PLC021516**

**Statement of Standalone Assets and Liabilities as at 31 March 2021**

Particulars	(Rs. in Million)	
	As at 31 March 2021	As at 31 March 2020
	(Audited)	(Audited)
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant & equipment	4,411.3	4,659.4
(b) Right-of-use assets	954.0	1,002.3
(c) Capital work-in-progress	165.0	159.4
(d) Intangible assets	62.6	73.7
(e) Financial assets		
(i) Investments	5.4	4.6
(ii) Other bank balances	6.3	0.9
(iii) Loans	74.3	79.5
(f) Deferred tax assets	180.8	115.8
(g) Other non-current assets	983.1	737.1
(h) Non current tax assets (net)	978.6	922.3
<b>Total non-current assets</b>	<b>7,821.4</b>	<b>7,755.0</b>
<b>2 Current assets</b>		
(a) Inventories	4,881.6	4,236.9
(b) Financial assets		
(i) Investments	-	835.3
(ii) Trade receivables	4,131.2	3,961.2
(iii) Cash & cash equivalents	1,383.9	2,541.3
(iv) Bank balances other than (iii) above	5,941.1	2,984.9
(v) Loans	15.3	20.0
(vi) Other financial assets	87.2	69.7
(c) Other current assets	1,030.5	849.9
<b>Total current assets</b>	<b>17,470.8</b>	<b>15,499.2</b>
<b>Total Assets</b>	<b>25,292.2</b>	<b>23,254.2</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity Share capital	455.4	455.4
(b) Other Equity	12,421.0	11,917.5
<b>Total equity</b>	<b>12,876.4</b>	<b>12,372.9</b>
<b>Liabilities</b>		
<b>2 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	510.6	531.6
(ii) Other financial liabilities (other than those specified in item (i) above)	183.0	169.1
(b) Provisions	742.9	633.4
(c) Other non-current liabilities	66.1	66.3
<b>Total non-current liabilities</b>	<b>1,502.6</b>	<b>1,400.4</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	128.2	111.3
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	76.9	39.3
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,908.0	6,726.5
(iii) Other financial liabilities (other than those specified in item (i) & (ii) above)	828.1	909.7
(b) Provisions	301.4	308.3
(c) Other current liabilities	1,670.6	1,385.8
<b>Total current liabilities</b>	<b>10,913.2</b>	<b>9,480.9</b>
<b>Total liabilities</b>	<b>12,415.8</b>	<b>10,881.3</b>
<b>Total equity and liabilities</b>	<b>25,292.2</b>	<b>23,254.2</b>



Handwritten signatures and initials in blue ink at the bottom left of the page.

**AKZO NOBEL INDIA LIMITED**

(CIN No. L24292WB1954PLC021516)

(All amounts are in millions Indian Rupees, unless otherwise stated)

**STATEMENT OF CASH FLOWS**

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,782	3,232
Adjustments for:		
Depreciation and amortisation expense	755	790
Loss on sale of property, plant and equipment (net)	26	-
Adjustment on termination of leases (net)	(17)	-
Exceptional items (net)	-	52
Provision for inventory obsolescence	(4)	72
Provision for doubtful debts and advances	(7)	90
Net foreign exchange differences	18	4
Provision/liabilities no longer required written back	(2)	(21)
Government grants	(12)	(9)
Interest income	(151)	(242)
Interest income from financial assets at amortised cost - Bonds	(48)	(64)
Gain on sale of investments	-	(52)
Finance costs	103	93
<b>Operating Profit before working capital changes</b>	<b>3,443</b>	<b>3,945</b>
Movements in working capital:		
(Increase) / Decrease in trade receivables	(166)	419
(Increase) / Decrease in inventories	(641)	(390)
(Increase) / Decrease in loans	11	3
(Increase) / Decrease in other financial assets	3	13
(Increase) / Decrease in other assets	(460)	283
Increase / (Decrease) in trade payables	1,224	672
Increase / (Decrease) in other financial liabilities	(114)	*
Increase / (Decrease) in provisions	70	32
Increase / (Decrease) in other liabilities	277	(118)
<b>Net cash generated from operations</b>	<b>3,647</b>	<b>4,859</b>
Income taxes paid	(820)	(1,113)
<b>Net cash inflow from operating activities (A)</b>	<b>2,827</b>	<b>3,746</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment	(279)	(478)
Payments for purchase of investments	-	(2,930)
Proceeds from sale of investments	835	5,976
Fixed deposits balances with banks	(3,021)	(2,600)
Interest received	218	76
<b>Net cash inflow / (outflow) from investing activities (B)</b>	<b>(2,247)</b>	<b>44</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Principal element of lease payments	(112)	(161)
Dividend paid	(1,548)	(1,098)
Dividend distribution tax paid	-	(225)
Interest paid	(77)	(89)
<b>Net cash (outflow) from financing activities (C)</b>	<b>(1,737)</b>	<b>(1,573)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,157)</b>	<b>2,217</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>2,541</b>	<b>324</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>*</b>	<b>*</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,384</b>	<b>2,541</b>
<b>Non-cash investing activities</b>		
- Acquisition of right-of-use assets	328	125

\*Amount is below rounding off norms, adopted by the Company

**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.  
 (ii) Amounts in brackets represent a cash outflow or a loss.





**Financial Results (Standalone) for the quarter and year ended 31 March 2021**

**Notes:**

- The financial results (standalone) have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 22 May 2021.
- The figures for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited standalone figures in respect of the full financial year and the published unaudited standalone year to date figures upto the third quarter of the respective financial years.
- The Board has recommended a final dividend of Rs. 30 per share. The dividend will be paid if approved by the shareholders at the forthcoming Annual General Meeting. The Company also paid an interim dividend of Rs. 20 per share during the year 2020-21, bringing the total dividend to Rs. 50 per share (previous year Rs. 14 per share).
- Exceptional Items - Income/(Expense), net represent:

Particulars	Rs. In Million				
	Quarter ended			For the year ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
VRS Payment and other termination benefits	-	-	(87.2)	-	(87.2)
Divestment provisions and indirect taxes on divested businesses no longer required	-	-	-	-	34.9
	-	-	(87.2)	-	(52.3)

- The auditors have expressed an unmodified opinion on the Standalone Financial Statements of the Company for the financial year ended 31 March 2021.
- 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 year ended 30 March 2021.
- The Company has revised useful lives of certain assets with effect from 1 April 2020 based on their expected period of use and physical condition, which has resulted in reduction in depreciation and amortisation expense by Rs. 21 Mn and Rs. 90 Mn for the quarter and year ended 31 March 2021 respectively with corresponding impact on profit before tax.
- The outbreak of Covid-19 pandemic has created economic disruption throughout the world including India. The operations of the Company were significantly impacted earlier during the year due to supply chain disruptions caused by lock down of plants, offices and warehouses. The Company continues to carry its operations in a manner consistent with the directives from the government and local authorities and continues to ensure compliance with the necessary protocols.  
The Company has evaluated the effects of Covid-19 on its operations and financial position. Based on its review of the macro economic conditions and current outlook for the Indian economy, there is no additional impact on financial results apart from those already considered in the financial results of the Company as at 31 March 2021. However, given the evolving scenario and uncertainties with respect to its nature and duration, the impact may be different from estimates as on the date of approval of financial results. The Company will continue to monitor any material changes to its future business and economic conditions.
- Previous period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current period figures.

**Gurugram**  
**22 May 2021**



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



# Price Waterhouse Chartered Accountants LLP

## Independent auditor's report

### To the Members of Akzo Nobel India Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of Akzo Nobel India Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), (refer Note 1(b) to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at 31 March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of consolidated total comprehensive income (comprising profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 40 to the consolidated financial statements, which describes the management's assessment of the impact of outbreak of Coronavirus (Covid-19) on the business operations of the Group. The management believes that no adjustments, other than those already considered, are required in the consolidated financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as lock-down restrictions by the government authorities, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 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 - 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-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)



**Key Audit Matters**

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matters	How our audit addressed the key audit matters
<p>A. Revenue recognition including variable consideration</p> <p>[Refer to Notes 1(p) (Significant accounting policies) and 18 (Revenue from operations) to the consolidated financial statements]</p> <p>The Holding Company recognises revenues when control of the goods is transferred to the customer at an amount that reflects the net consideration, which the Holding Company expects to receive for those goods from customers. The sales arrangements are voluminous and in determining the sales price, the Holding Company considers the effects of variable consideration requiring estimation, which creates complexities and application of significant effort and judgment.</p> <p>Considering these judgements, estimates and the risk associated with revenue recognition, the matter has determined to be a key audit matter.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> <li>• We assessed the design and tested the operating effectiveness of internal controls related to recognition of revenue including variable consideration.</li> <li>• We performed test for a sample of individual sales transaction by comparing the underlying sales invoices, sales orders and dispatch documents to assess that revenue is recognised on transfer of control over those goods to the customer.</li> <li>• We tested on a sample basis rebates and discount provided to the customers, comparing the same with underlying approvals.</li> <li>• We read and assessed the relevant disclosures made in the consolidated financial statements.</li> </ul> <p>Based on the above procedures, we did not identify any significant deviation to the assessment made by the management in respect of revenue recognition including variable consideration.</p>



Description of the key audit matters	How our audit addressed the key audit matters
<p><b>B. Assessment of ongoing income tax and indirect tax litigations</b></p> <p>[Refer to Notes 1(m) and 1(n) (Significant accounting policies), Note 26 (b) (Contingent liabilities), Note 6.2 [Non-current tax assets(net)], Note 13 (Provisions) to the consolidated financial statements]</p> <p>As at 31 March 2021, the Holding Company is subjected to a number of significant income tax litigations relating to disallowance of expenses, transfer pricing adjustments etc. and indirect tax litigations relating to taxable turnover, availability of statutory forms etc. (together referred to as "litigations"). These matters are in appeal before various judicial forums.</p> <p>The eventual outcome of these litigations is uncertain and the positions taken by the management are based on the application of significant judgement and estimation. The review of these matters requires application and interpretation of tax laws and reference to applicable judicial pronouncements.</p> <p>Based on management judgement and the advice from external legal and tax consultants and considering the merits of the case, the Holding Company has recognised provisions wherever required and for the balance matters, where the management expects favourable outcome, these litigations have been disclosed as contingent liabilities in the consolidated financial statements unless the possibility of outflow of resources is considered to be remote.</p> <p>Given the uncertainty and application of significant judgment in this area in terms of the eventual outcome of litigations, we determined this to be a key audit matter.</p>	<p>Our procedures on the management's assessment of these matters included:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating process and controls designed and implemented by the management including testing of relevant controls;</li> <li>• Gaining an understanding of the tax related litigations through discussions with the management, including the significant developments, additions and settlements during the year and subsequent to the year end;</li> <li>• Inspecting demand notices received from tax authorities and evaluating the Holding Company's response to those matters;</li> <li>• Obtaining independent confirmations from the Holding Company's external tax experts including the status of the significant litigations, their views regarding the likely outcome and magnitude of the potential exposure;</li> <li>• Evaluating the management's assessment on the likely outcome and potential magnitude by involving auditor's experts on complex or significant matters as considered necessary; and</li> <li>• Assessing the adequacy of the Holding Company's disclosures.</li> </ul> <p>We did not identify any significant exceptions to the management's assessment of the ongoing income tax and indirect tax litigations as a result of the above procedures.</p>





### Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows, and consolidated changes in equity of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





## INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited  
Report on audit of the Consolidated Financial Statements  
Page 6 of 7

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, except that the backup of the books of account and other books and papers maintained in electronic mode for the Holding Company has not been maintained on servers physically located in India.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 15(b) above that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.
  - (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

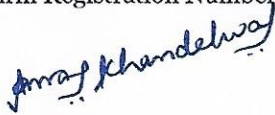


INDEPENDENT AUDITOR'S REPORT

To the Members of Akzo Nobel India Limited  
Report on audit of the Consolidated Financial Statements  
Page 7 of 7

- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 26(a) and 26 (b) to the consolidated financial statements.
  - ii. The Group had long-term contracts as at 31 March 2021 for which there were no material foreseeable losses. The Group did not have any long-term derivate contracts as at 31 March 2021.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended 31 March 2021.
16. The Group has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 21078571AAAABA2924  
Place: Gurugram  
Date: 22 May 2021



## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 15(g) of the Independent Auditors' Report of even date to the members of Akzo Nobel India Limited on the consolidated financial statements for the year ended 31 March 2021

Page 1 of 2

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of Akzo Nobel India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company and its subsidiary company, to whom reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.





## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 15(g) of the Independent Auditors' Report of even date to the members of Akzo Nobel India Limited on the consolidated financial statements for the year ended 31 March 2021

Page 2 of 2

### **Meaning of Internal Financial Controls with reference to financial statements**

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

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



Anurag Khandelwal  
Partner  
Membership Number: 078571

UDIN: 21078571AAAABA2924  
Place: Gurugram  
Date: 22 May 2021



**Akzo Nobel India Limited**

**Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071  
CIN: L24292WB1954PLC021516**

**Statement of Consolidated Financial Results for the quarter and twelve months ended 31 March 2021 and 31 March 2020**

Particulars	(Rs. in Million)				
	Quarter ended			For the year ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
	(Refer Note 2)	(Unaudited)	(Refer Note 2)	(Audited)	(Audited)
<b>1 Income</b>					
(a) Revenue from operations	7,813.5	7,746.4	5,812.7	24,213.5	26,618.1
(b) Other income	57.5	57.1	158.1	232.5	376.2
<b>Total income</b>	<b>7,871.0</b>	<b>7,803.5</b>	<b>5,970.8</b>	<b>24,446.0</b>	<b>26,994.3</b>
<b>2 Expenses</b>					
(a) Cost of materials consumed	4,296.0	3,424.5	2,965.0	11,662.1	12,009.0
(b) Purchase of stock-in-trade	578.3	399.4	1,066.0	1,737.3	2,675.0
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(407.0)	398.8	(833.2)	(171.8)	(258.8)
(d) Employee benefits expense	652.2	669.7	587.0	2,517.6	2,557.5
(e) Finance costs	14.5	32.6	9.2	102.5	93.4
(f) Depreciation and amortisation expense	189.2	204.1	191.7	755.5	790.1
(g) Other expenses	1,556.2	1,503.6	1,158.5	5,060.7	5,843.7
<b>Total expenses</b>	<b>6,879.4</b>	<b>6,632.7</b>	<b>5,144.2</b>	<b>21,663.9</b>	<b>23,709.9</b>
<b>3 Profit / (Loss) from operations before exceptional items and tax (1-2)</b>	<b>991.6</b>	<b>1,170.8</b>	<b>826.6</b>	<b>2,782.1</b>	<b>3,284.4</b>
<b>4 Exceptional Items - Income / (Expense) (Refer note 4)</b>	-	-	(87.2)	-	(52.3)
<b>5 Profit / (Loss) before tax from operations (3+4)</b>	<b>991.6</b>	<b>1,170.8</b>	<b>739.4</b>	<b>2,782.1</b>	<b>3,232.1</b>
<b>6 Tax expense</b>					
(a) Current tax (net)	294.1	322.3	218.2	762.9	929.7
(b) Deferred tax	(45.0)	(25.2)	(19.6)	(57.2)	(72.2)
<b>7 Profit / (Loss) for the period from operations (5-6)</b>	<b>742.5</b>	<b>873.7</b>	<b>540.8</b>	<b>2,076.4</b>	<b>2,374.6</b>
<b>8 Other comprehensive (expense)/income, net of income tax from operations</b>					
Items that will not be reclassified to profit or loss					
(A) (i) Gain/(Loss) of defined benefit obligations	21.2	(17.7)	74.0	(33.3)	(51.2)
(ii) Income tax relating to above	(5.4)	4.4	(18.4)	8.3	13.1
(B) (i) Changes in fair value of FVOCI equity instruments	*	-	(1.2)	*	(1.2)
(ii) Income tax relating to above	*	-	0.3	*	0.3
<b>Other comprehensive income for the period / year, net of income tax</b>	<b>15.8</b>	<b>(13.3)</b>	<b>54.7</b>	<b>(25.0)</b>	<b>(39.0)</b>
<b>9 Total comprehensive income for the period (7+8)</b>	<b>758.3</b>	<b>860.4</b>	<b>595.5</b>	<b>2,051.4</b>	<b>2,335.6</b>
<b>10 Paid - up equity share capital (Shares of Rs 10 each)</b>	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	16.31	19.18	11.87	45.60	52.13
(b) Diluted	16.31	19.18	11.87	45.60	52.13

\*Amount is below rounding off norms, adopted by the Group



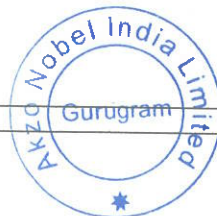
*(Handwritten signatures)*

**Akzo Nobel India Limited**

**Registered Office : Geetanjali Apartment, 1st Floor, 8-B Middleton Street, Kolkata -700071  
CIN: L24292WB1954PLC021516**

**Statement of Consolidated Assets and Liabilities as at 31 March 2021**

Particulars	(Rs. in Million)	
	As at 31 March 2021	As at 31 March 2020
	(Audited)	(Audited)
<b>A ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Property, plant & equipment	4,413.2	4,659.4
(b) Right-of-use assets	954.1	1,002.3
(c) Capital work-in-progress	165.0	159.4
(d) Intangible assets	62.6	73.7
(e) Financial assets		
(i) Investments	5.4	4.6
(ii) Other bank balances	6.3	0.9
(iii) Loans	74.3	79.5
(f) Deferred tax assets	180.8	115.8
(g) Other non-current assets	983.1	737.1
(h) Non current tax assets (net)	978.6	922.3
<b>Total non-current assets</b>	<b>7,823.4</b>	<b>7,755.0</b>
<b>2 Current assets</b>		
(a) Inventories	4,881.6	4,236.9
(b) Financial assets		
(i) Investments	-	835.3
(ii) Trade receivables	4,131.2	3,961.2
(iii) Cash & cash equivalents	1,391.1	2,545.1
(iv) Bank balances other than (iii) above	5,941.1	2,984.9
(v) Loans	15.3	20.0
(vi) Other financial assets	87.2	69.7
(c) Other current assets	1,030.5	849.9
<b>Total current assets</b>	<b>17,478.0</b>	<b>15,503.0</b>
<b>Total Assets</b>	<b>25,301.4</b>	<b>23,258.0</b>
<b>B EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
(a) Equity Share capital	455.4	455.4
(b) Other Equity	12,428.0	11,924.5
<b>Total equity</b>	<b>12,883.4</b>	<b>12,379.9</b>
<b>Liabilities</b>		
<b>2 Non-current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	510.6	531.6
(ii) Other financial liabilities (other than those specified in item (i) above)	183.0	169.1
(b) Provisions	745.0	633.7
(c) Other non-current liabilities	66.1	66.2
<b>Total non-current liabilities</b>	<b>1,504.7</b>	<b>1,400.6</b>
<b>3 Current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	128.2	111.3
(ii) Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	76.9	39.3
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,906.9	6,721.5
(iii) Other financial liabilities (other than those specified in item (i) & (ii) above)	828.4	910.0
(b) Provisions	301.4	308.3
(c) Other current liabilities	1,671.5	1,387.0
<b>Total current liabilities</b>	<b>10,913.3</b>	<b>9,477.4</b>
<b>Total liabilities</b>	<b>12,418.0</b>	<b>10,878.0</b>
<b>Total equity and liabilities</b>	<b>25,301.4</b>	<b>23,258.0</b>



Handwritten signatures in blue ink at the bottom left of the page.



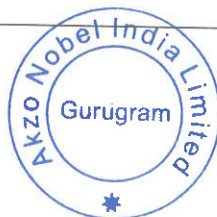
AKZO NOBEL INDIA LIMITED  
(CIN No. L24292WB1954PLC021516)  
(All amounts are in millions Indian Rupees, unless otherwise stated)  
CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,782	3,232
Adjustments for:		
Depreciation and amortisation expense	755	790
Loss on sale of property, plant and equipment (net)	26	-
Adjustment on termination of leases (net)	(17)	-
Exceptional items (net)	-	52
Provision for inventory obsolescence	(4)	72
Provision for doubtful debts and advances	(7)	90
Net foreign exchange differences	18	4
Provision/liabilities no longer required written back	(2)	(21)
Government grants	(12)	(9)
Interest income	(151)	(242)
Interest income from financial assets at amortised cost - Bonds	(48)	(64)
Gain on sale of investments	-	(52)
Finance costs	103	93
<b>Operating Profit before working capital changes</b>	<b>3,443</b>	<b>3,945</b>
Movements in working capital:		
(Increase) / Decrease in trade receivables	(166)	419
(Increase) / Decrease in inventories	(641)	(390)
(Increase) / Decrease in loans	11	3
(Increase) / Decrease in other financial assets	3	12
(Increase) / Decrease in other assets	(460)	283
Increase / (Decrease) in trade payables	1,228	666
Increase / (Decrease) in other financial liabilities	(114)	*
Increase / (Decrease) in provisions	71	32
Increase / (Decrease) in other liabilities	277	(116)
<b>Net cash generated from operations</b>	<b>3,652</b>	<b>4,854</b>
Income taxes paid	(820)	(1,113)
<b>Net cash inflow from operating activities (A)</b>	<b>2,832</b>	<b>3,741</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant and equipment	(281)	(478)
Payments for purchase of investments	-	(2,930)
Proceeds from sale of investments	835	5,976
Fixed deposits balances with banks	(3,021)	(2,600)
Interest received	218	76
<b>Net cash inflow / (outflow) from investing activities (B)</b>	<b>(2,249)</b>	<b>44</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Principal element of lease payments	(112)	(161)
Dividend paid	(1,548)	(1,098)
Dividend distribution tax paid	-	(225)
Interest paid	(77)	(89)
<b>Net cash (outflow) from financing activities (C)</b>	<b>(1,737)</b>	<b>(1,573)</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,154)</b>	<b>2,212</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>2,545</b>	<b>333</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>*</b>	<b>*</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,391</b>	<b>2,545</b>
<b>Non-cash investing activities</b>		
- Acquisition of right-of-use assets	328	125

\*Amount is below rounding off norms, adopted by the Group

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.  
(ii) Amounts in brackets represent a cash outflow or a loss.



*(Handwritten signatures)*

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

**Financial Results (Consolidated) for the quarter and year ended 31 March 2021**

**Notes:**

- The financial results (consolidated) have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 22 May 2021.
- The figures for the year ended 31 March 2021 and 31 March 2020 are prepared by consolidating the figures of Akzo Nobel India Limited and its subsidiary ICI India Research & Technology Centre as required under Indian Accounting Standards ("Ind AS") 110. The figures for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited consolidated year to date figures upto the third quarter of the respective financial years.
- The Board has recommended a final dividend of Rs. 30 per share. The dividend will be paid if approved by the shareholders at the forthcoming Annual General Meeting. The Group also paid an interim dividend of Rs. 20 per share during the year 2020-21, bringing the total dividend to Rs. 50 per share (previous year Rs. 14 per share).
- Exceptional Items - Income/(Expense), net represent:

Particulars	Quarter ended			For the year ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
VRS Payment and other termination benefits	-	-	(87.2)	-	(87.2)
Divestment provisions and indirect taxes on divested businesses no longer required	-	-	-	-	34.9
	-	-	(87.2)	-	(52.3)

Rs. In Million

- The auditors have expressed an unmodified opinion on the Consolidated Financial Statements of the Group for the financial year ended 31 March 2021.
- 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 year ended 30 March 2021.
- The Group has revised useful lives of certain assets with effect from 1 April 2020 based on their expected period of use and physical condition, which has resulted in reduction in depreciation and amortisation expense by Rs. 21 Mn and Rs. 90 Mn for the quarter and year ended 31 March 2021 respectively with corresponding impact on profit before tax.
- The outbreak of Covid-19 pandemic has created economic disruption throughout the world including India. The operations of the Group were significantly impacted earlier during the year due to supply chain disruptions caused by lock down of plants, offices and warehouses. The Group continues to carry its operations in a manner consistent with the directives from the government and local authorities and continues to ensure compliance with the necessary protocols.  
The Group has evaluated the effects of Covid-19 on its operations and financial position. Based on its review of the macro economic conditions and current outlook for the Indian economy, there is no additional impact on financial results apart from those already considered in the financial results of the Group as at 31 March 2021. However, given the evolving scenario and uncertainties with respect to its nature and duration, the impact may be different from estimates as on the date of approval of financial results. The Group will continue to monitor any material changes to its future business and economic conditions.
- Previous period figures have been regrouped/ reclassified, wherever necessary, to make them comparable to the current period figures.

**Gurugram**  
**22 May 2021**




  
**Rajiv Ragopal**  
**Managing Director**



## Media release

Gurugram, May 22, 2021

### AkzoNobel India announces Q4 and full-year results for 2020-21

Today, the Board of Directors of Akzo Nobel India Limited approved the financial results for the quarter and the year ended March 31, 2021.

#### Performance highlights

##### Q4 FY21 versus Q4 FY20

- **Revenue from operations** at ₹781.4 crore, up by 34%.
- **Profit from Operations** at ₹ 94.8 crore, up 40 %.
- **Profit after tax (PAT)** at ₹ 74.2 crore up 37 %.

#### Rajiv Rajgopal, Managing Director, AkzoNobel India:

“The trend of recovery was sustained, with the quarter bringing a strong finish to a challenging year. Paints, Powder, and Automotive and Specialty Coatings saw strong growth, although we faced headwinds in oil and gas segment. While the businesses reported strong double-digit volume growth during the quarter, demand for the same period last year was impacted by COVID-19 (impacting the year-on-year comparison).”

Raw material cost inflation is expected to continue, although profitability improved due to revenue development and value engineering initiatives.

“In terms of our full-year performance, revenue was 9% lower during 2020-21, with the second half partially offsetting the adverse impact of the first half. Margins were close to the previous year’s level, as a result of cost discipline and transformation initiatives”

Although the industry outlook remains positive, the second wave of COVID-19 infections presents a challenging environment in the short-term. Adds Rajgopal: “Employee safety and welfare continue to be our top priority.”

#### Dividend proposal

“The Board of Akzo Nobel India remains committed to creating value for its shareholders. The Board has therefore recommended a dividend of ₹30 per share, bringing the total dividend per share for 2020-21 to ₹50 per share”, said Mr Jain, Chairman Akzo Nobel India. This is subject to shareholder approval.

Mr. Amit Jain will step down as Chairman of the Company, with effect from May 23, 2021. He will continue to serve as a Director on the Board of the company.

The Board also expressed its appreciation to Mr. Jain for his immense contribution as Chairman through the period of transformation, the senior leadership transition and the company's ROS journey during his tenure. In particular, the Board noted that Mr. Jain's stewardship of the company has been characterized by strategic thinking and innovative ideas. His passion for good corporate governance was also noted. The Board is pleased that Mr Jain will remain a Director given his wealth of experience with the company.

Mr. Oscar Wezenbeek, who joined the Board as a non-executive Director in May 2019, will take over as non-executive Chairman, effective May 23, 2021. Mr. Wezenbeek is currently the Managing Director of AkzoNobel Decorative Paints, South East and South Asia (SESA) and operates out of Singapore. During the course of his three-decade career with AkzoNobel, he has successfully led various portfolios in paints and coatings. He will guide the company's strategic objective to build a sustainable business for long-term value creation as a part of the Grow & Deliver strategy which has been introduced globally.

Mr. Arvind Uppal and Mr. Rahul Bhatnagar have submitted their resignations to the Board, due to their other professional commitments.

The Board places on record its appreciation to Mr. Uppal and Mr. Bhatnagar for their highly valued contribution during their time as Directors of the company.

### **AkzoNobel India partners Citroën India**

AkzoNobel India has received approval from Citroën India to be a recommended supplier of vehicle refinish products and services for their aftersales repair network in India. Sikkens and Lesonal, the company's flagship premium vehicle refinish brands, conform to quality specifications of Citroën paintwork repairs. The partnership also focuses on business development programs, value-added services and hands-on technical training from AkzoNobel India.

### **AkzoNobel India launches Dulux Assurance**

AkzoNobel India launched Dulux Assurance, a first-of-its-kind consumer program for premium emulsions. The program promises perfect color, uniform finish and coverage. The initiative was supported with print and TV media campaigns to take the proposition to consumers.

### **AkzoNobel Paint Academy promotes diversity and inclusion**

On International Women's Day, AkzoNobel India launched a campaign to promote women painters in India. The initiative aims to increase the number of women trained by next year. AkzoNobel India currently trains women painters in Delhi and Kolkata and plans to roll out the initiative in the north-eastern states, as well as in Karnataka and Maharashtra.

#### **About AkzoNobel:**

We've been pioneering a world of possibilities to bring surfaces to life for well over 200 years. As experts in making coatings, there's a good chance you're only ever a few meters away from one of our products. Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. We're active in more than 150 countries and have set our sights on becoming the global industry leader. It's what you'd expect from the most sustainable paints company, which has been inventing the future for more than two centuries.



**About AkzoNobel India:**

Akzo Nobel 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 1,482, 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 harbor 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, as well as significant market disruptions such as the impact of pandemics. 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 Ltd.:  
Harshi Rastogi, [investor.india@akzonobel.com](mailto:investor.india@akzonobel.com); +91-124-4852400