Akzo Nobel India Limited

Minutes of Fifty Seventh Annual General Meeting of Members of Akzo Nobel India Limited held on 22 July 2011 at Kala Mandir Auditorium, 48 Shakespeare Sarani, Kolkata 700 017

Present on the dais

Mr Nihal Kaviratne CBE	Chairman
Mr Amit Jain	Managing Director / Also representing Imperial Chemical Industries Limited, UK
Mr Partha Sarathi Basu	Wholetime Director
Mr R Gopalakrishnan	Director and Chairman, Remuneration & Nominations Committee
Ms Renu Sud Karnad	Director and Chairperson, Audit Committee
Dr Sanjiv Misra	Director and Chairman, Shareholder / Investor Grievance Committee
Mr R Guha	Secretary/ Member

The attendance of members at the Meeting was as follows:

	No	No of shares
Members present in person	282	15926
Members present by Proxy	28	10,52,402
Representation u/s 187	4	2,07,77,963
Total	**314**	**2,18,46,291**

The following documents were open for inspection by the members at the meeting:

a) Register of Directors' Shareholding
b) Minute Book containing the Minutes of the previous Annual General Meeting held on 22 July 2010.
c) Agreement dated 15 May 2009 between Mr Amit Jain, Managing Director and the Company.
d) Agreement dated 1 November 2010 between Mr Partha Sarathi Basu, Wholetime Director and the Company.

1. **Chairman's address**

The quorum being present, the Chairman called the 57th Annual General Meeting ("AGM") of the Company to order at 1445 hrs and extended a warm welcome to the Members and invitees present.

On invitation from the Chairman, Mr Aishwarya Singh announced the administrative guidelines to be followed at the AGM venue and the steps to be taken in case of any safety or health emergency. Those present were requested to keep their mobile phones switched off to avoid any disturbance to the proceedings at the meeting.

The Chairman then introduced the Board of Directors. He commenced with Dr Sanjiv Misra, Director and Chairman of the Shareholder/Investor Grievance Committee and went on to introduce Mr R Gopalakrishnan, Director and Chairman of Remuneration & Nominations Committee, Mr Amit Jain, Managing Director, Ms Renu S Karnad, Director and Chairperson of the Audit Committee, and Mr R Guha, the Company Secretary seated on the dais.

After the introduction he stated that Mr Graeme Armstrong and Mr Arvind Uppal, who have joined the Board with effect from 1 April 2011, could not attend the meeting due to prior commitments and have sent their apologies.

The Chairman then spoke briefly about the changes that have taken place in the Board since the previous year's Annual General Meeting. He started by thanking Mr Aditya Narayan who had stepped down from the Board with effect from 01 October 2010 and placed on record Company's deep appreciation and gratitude for the significant contributions made by him during his tenure as the Chairman of the Company.

Thereafter, the Chairman shared his views on the overall business environment in India, progress made by the Company during the year 2010-11, performance during the quarter April-June 2011. Text of the Chairman's address is attached as **Annexure 1** to these minutes.

The Chairman then proceeded to take up the formal business for the meeting.

2. Notice of the Meeting

Notice of the Annual General Meeting ('AGM'), which had been circulated to all the members, was taken as read with the consent of the members present. A copy of the said notice dated 11 May 2011 is attached as **Annexure 2** to these minutes.

3. Items as per the AGM Notice

3.1 Adoption of Accounts

The Chairman stated that the first item of the Agenda was to consider adoption of the audited Profit and Loss Account of the Company for the year ended 31 March 2011 and the Balance Sheet as on that date and the Reports of the Auditors and the Directors thereon.

The report of the Auditors to the members was read out by Mr. Kaushal Kishore, Partner of B S R & Associates, Auditors of the Company.

With the permission of the Chairman, some of the members present (M/s B S Srimal, S Gattani, K K Das, N C Sen, A K Pal, J P Khanna, G Awasthi, M K Gupta, A N Sein, B C Ray, K L Bhatia, A K De) sought certain clarifications and explanations relating to the accounts and the Company's growth plans.

After the Chairman answered several pertinent questions from the members, Mr B N Kundu (Folio No. BNK024) proposed and Mr M K Gupta (Folio No MKG044) seconded the following Resolution as an Ordinary resolution:

"Resolved that the Profit and Loss Account for the year ended 31st March, 2011, together with the Balance Sheet as at that date of the Company and Reports of the Directors and the Auditors thereon, be adopted."

The above Resolution was put to vote and was carried with requisite majority by show of hands.

3.2 **Dividend**

Mr M K Gupta (Folio No MKG044) proposed and Mr B N Kundu (Folio No. BNK024) seconded the following Resolution as an Ordinary resolution:

"Resolved that dividend on the Equity Shares of the Company for the financial year ended 31 March 2011 be and is hereby declared at the rate of Rs.18.00 per share payable to those members whose names appear on the Register of Members as on the last date of Book Closure in respect of their equity shareholding as on that date or the corresponding Ex-Dividend date for the Demat shareholders."

The above Resolution was put to vote and was carried with requisite majority by show of hands.

3.3 **Re-appointment of Mr Nihal Kaviratne CBE as a Director**

At this stage, the Chairman requested Mr A Jain, Managing Director to conduct the meeting as the resolution related to his (Mr N Kaviratne's) own re-appointment to the Board.

Mr S Gattani (DP/Client ID IN30044110570834) proposed and Mr M K Gupta (Folio No MKG044) seconded the following Resolution as an Ordinary resolution: "Resolved that Mr Nihal Kaviratne CBE who retires by rotation be and is hereby reappointed a Director of the Company."

The above Resolution was put to vote and was approved unanimously by show of hands.

Mr Kaviratne thanked Mr A Jain for conducting the meeting for the above resolution and took back charge to proceed with the other agenda items of the meeting.

3.4 **Re-appointment of Ms Renu S Karnad as a Director**

Mr M K Gupta (Folio No MKG044) proposed and Mr A N Sein (Folio No ANS043) seconded the following Resolution as an Ordinary resolution:

"Resolved that Ms Renu Sud Karnad who retires by rotation be and is hereby reappointed a Director of the Company."

The above Resolution was put to vote and was carried with requisite majority by show of hands.

3.5 **Reappointment of Auditors**

Mr S Gattani (DP/Client ID IN30044110570834) proposed and Mr A N Sein (Folio No ANS043) seconded the following Resolution as an Ordinary resolution:

"Resolved that the Auditors, M/s B S R & Associates, Chartered Accountants, who retire at the conclusion of this meeting, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at the remuneration as given below:

Statutory Audit	Rs 2.2 million
Tax Audit	Rs 0.6 million
Statutory certification	Rs 1.2 million

In addition, reasonable out-of-pocket expenses and service tax as applicable may also be reimbursed to the Auditors. Any other fees for certification and other services may be billed by the Auditors at such rates agreed between the Auditors and the Company."

The above Resolution was put to vote and was carried unanimously by show of hands.

3.4 **Appointment of Mr Graeme Armstrong as a Director**

Mrs Indupriya (Folio No I 004) had proposed vide her notice dated 7 May 2011 under section 257 of the Companies Act, 1956 the appointment of Mr G Armstrong as a Director of the Company. At the meeting, Mr Amit Jain (Representing ICI UK) proposed and Mr S Gattani (DP/Client ID IN30044110570834) seconded the following Resolution as an Ordinary resolution:

"Resolved that Mr Graeme Armstrong be and is hereby appointed a Director of the Company."

The above Resolution was put to vote and was approved unanimously by show of hands.

3.5 **Appointment of Mr Arvind Uppal as a Director**

Mr Joseph Selvakumar (DP/Client ID IN30051310450986 had proposed vide his notice dated 09 May 2011 under section 257 of the Companies Act, 1956 the appointment of Mr A Uppal as a Director of the Company. The resolution was also proposed by Mr B N Kundu (Folio No. BNK024) at the meeting and Mr M K Gupta (Folio No MKG044) seconded the following Resolution as an Ordinary resolution:

"Resolved that Mr Arvind Uppal be and is hereby appointed a Director of the Company."

The above Resolution was put to vote and was approved with requisite majority by show of hands.

3.6 Revision in Remuneration limits of Managing/Wholetime Directors

Mr S Gattani (DP/Client ID IN30044110570834) proposed and Mr M K Gupta (Folio No MKG044) seconded the following Resolution as an Ordinary resolution:

"Resolved that subject to the limits laid down in Sections 198 and 309 of the Companies Act, 1956, or any amendment or re-enactment thereof, the Managing Director and the Wholetime Directors (present and future) be paid such remuneration from time to time as may be determined by the Board of Directors of the Company within the maximum limits as set out in the Explanatory Statement attached to the Notice convening this Meeting."

The above Resolution was put to vote and was approved unanimously by show of hands.

3.7 Appointment of Mr Partha Sarathi Basu as a Wholetime Director and fix his remuneration

Mr B N Kundu (Folio No. BNK024) proposed and Mr B K Mehta (Folio No BKM059) seconded the following Resolution as an Ordinary resolution:

"Resolved that as required by Schedule XIII to the Companies Act, 1956, this Meeting hereby approves the appointment of Mr Partha Sarathi Basu as the Wholetime Director of the Company for a period of five years with effect from 1 November 2010 and the payment of such remuneration to Mr Partha Sarathi Basu during the tenure of his appointment as set out in the agreement dated 1 November 2010 between him and the Company (a copy of which was placed before the Meeting)."

The above Resolution was put to vote and was approved unanimously by show of hands.

4. Vote of Thanks

Mr M K Gupta (Folio No MKG044) proposed and Mr S Gattani (DPID/Client Id: IN300441/10570834) seconded a vote of thanks to the Chair. It was carried unanimously.

The Chairman thanked the Members once again and the meeting ended at 1700 hrs.

N Kaviratne
Chairman

Annexure 1

57TH AGM - CHAIRMAN'S ADDRESS

Distinguished Members, my Colleagues on the Board, Ladies & Gentlemen,

It gives me great pleasure to welcome you to the 57th Annual General Meeting of your Company, at this somewhat more centrally located venue which you have been asking for. This being my first meeting as the Chairman of the Board of your Company, I would seek your continued support and encouragement, which would enable the Board to work with Management to keep your Company growing from strength to strength.

I trust you have seen the Annual Report for 2010-11, so I propose to confine my opening remarks to a few key points.

Business Environment

The Indian Economy registered a resilient performance in 2010-11, despite a challenging global scenario. GDP growth was 8.5%, marginally ahead of the previous year. Hopefully, this level will be sustained in the current year and will not be adversely impacted by issues of ongoing high inflation and hardening commodity prices.

2010-11: Company Highlights

As you would have noted from the Annual Report, that during 2010-11 our Paint sales grew by 16%, and your Company posted a record profit before tax from operations of over Rs 209 cr despite rising input costs and a steadfast implementation of our strategy to invest our profits in building a platform for robust future growth.

The Profit after Tax of Rs 176 cr is not directly comparable with the Rs 159 cr in the previous year, owing to an exceptional income of around Rs 11 cr in 2010-11 from the divestment of the National Starch business.

Your Board has recommended for your approval a higher dividend of Rs 18 per share for 2010-11, against the previous year's dividend of Rs 16 per share.

Performance for Quarter ended June 2011

Your Board, at its meeting held earlier today, approved the results for the first quarter of 2011-12. Continuing its growth trend, Paint sales

have grown by 21% over last year's corresponding quarter. After absorbing the additional costs due to input cost inflation and strategic investment in brand and capability building, segment profit at Rs 44 cr is still ahead of the achievement in the corresponding quarter in 2010-11.

As you know, Investment Income is recognized when a particular investment matures or is redeemed. Investment Income in this quarter at Rs 34 cr is well ahead of the previous year's Rs 13 cr mainly due to the swing in the phasing of maturity and redemption.

As a result of the above, and with a few other non-recurring items setting off one another, Profit after tax for this quarter was Rs 68 cr compared to the Rs 44 cr of the corresponding quarter of the last year.

Forward outlook

Going forward, we expect that the positive economic and business environment will continue and that sharp increases in the prices of some critical inputs and their availability will remain concerns.

Your Company is focused on sustainable profitable growth. Supported by insights, innovation and technology, we stand firmly committed to add colour to people's lives. With strong support from our majority shareholder, the global leader in Paints, we are gearing up to improve our market position. During the past year your Company had made substantial investments in people, products and processes to build capabilities within the business to make this possible.

I am pleased to inform you that your Company is close to completing the necessary formalities and will soon take possession of a green field site at the Malanpur Industrial Area near Gwalior in Madhya Pradesh. A new state of the art Paints manufacturing facility on this site will be commissioned in less than two years from now. This plant will be able to cater to the growth requirements of our Paints Business in the medium term.

Your Company believes that the future belongs to those with the capability and determination to challenge it, and knows that real progress belongs to those who not only think with courage, but also have the courage to deliver on the thought. Tomorrow's answers, delivered today.

Organization Announcement

In this context, I am pleased to inform you that your Board has been strengthened with the induction of:

- Mr Partha Sarathi Basu as a Wholetime Director and Chief Financial officer;

- Mr Graeme Armstrong, who is the Global Head of Research, Development and Innovation of AkzoNobel, with Ms. Sucheta Govil, the Global Head of Marketing for Decorative Paints at AkzoNobel serving as his Alternate;

  and

- Mr Arvind Uppal, whose reputation precedes him as the person responsible for leading Whirlpool India into one of the most successful growth businesses this country has witnessed in recent years.

With this, let us move on to the main business as listed in the notice of the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of the Members of Akzo Nobel India Limited will be held on Friday, 22 July 2011 at 1430 hours at Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Profit and Loss Account for the financial year ended 31 March 2011, the audited Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.

2. To declare a Dividend on equity shares for the year ended 31 March 2011.

3. To appoint a Director in place of Mr Nihal Kaviratne CBE who retires by rotation. Being eligible, he has offered himself for reappointment as a Director of the Company. A brief resume of Mr Kaviratne CBE has been given in the Corporate Governance section of the Directors' Report.

   Accordingly, to consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   "Resolved that Mr Nihal Kaviratne CBE be and is hereby re-appointed a Director of the Company."

4. To appoint a Director in place of Ms Renu Sud Karnad who retires by rotation. Being eligible, she has offered herself for reappointment as a Director of the Company. A brief resume of Ms Karnad has been given in the Corporate Governance section of the Directors' Report.

   Accordingly, to consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   "Resolved that Ms Renu Sud Karnad be and is hereby re-appointed a Director of the Company."

5. To appoint Auditors and to fix their remuneration and for this purpose to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

   "Resolved that the Auditors, M/s B S R & Associates, Chartered Accountants, who retire at the conclusion of this meeting, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at the remuneration as given below:

Statutory Audit	Rs 2.2 million
Tax Audit	Rs 0.6 million
Statutory certification	Rs 1.2 million

   In addition, reasonable out-of-pocket expenses and service tax as applicable may also be reimbursed to the Auditors. Any other fees for certification and other services may be billed by the Auditors at such rates as may be agreed between the Auditors and the Company."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   "Resolved that Mr Graeme Armstrong be and is hereby appointed a Director of the Company."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

   "Resolved that Mr Arvind Uppal be and is hereby appointed a Director of the Company."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ordinary resolution:

   "Resolved that subject to the limits laid down in Sections 198 and 309 of the Companies Act, 1956, or any amendment or re-enactment thereof, the Managing Director and the Wholetime Directors (present and future) be paid such remuneration from time to time as may be determined by the Board of Directors of the Company within the maximum limits as set out in the Explanatory Statement attached to the Notice convening this Meeting."

9. To consider and, if thought fit, to pass, with or without modification, the following as an ordinary resolution:

   "Resolved that as required by Schedule XIII to the Companies Act, 1956, this Meeting hereby approves the appointment of Mr Partha Sarathi Basu as the Wholetime Director of the Company for a period of five years with effect from 1 November 2010 and the payment of such remuneration to Mr Partha Sarathi Basu during the tenure of his appointment as set out in the agreement dated 1 November 2010 between him and the Company (a copy of which was placed before the Meeting)."

By order of the Board

Gurgaon
11 May 2011

R Guha
Company Secretary

NOTES

i) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF BUT A PROXY SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
   The Proxy form, in order to be effective, should be received at the registered office of the Company or at the office of its Registrar and Share Transfer Agent M/s C B Management Services (P) Ltd., (the 'RTA'), P-22, Bondel Road, Kolkata - 700 019 not later than 48 hours before the commencement of the meeting.

ii) The Register of Members and Share Transfer books of the Company will remain closed from 12 July 2011 to 22 July 2011 both days inclusive.

iii) Dividend, if approved at the Meeting, will be paid on or around 27 July 2011 by means of direct bank credit or dividend warrants or cheques,
   a. in case of shares held in electronic form, to the beneficial owners of shares as on 11 July 2011 as per the downloads furnished to the Company by the depositories for this purpose; and,
   b. in case of shares held in physical form, to the shareholders, whose names appear in the Register of Members, after giving effect to all the valid stock transfers lodged with the Company before the closing hours of 11 July 2011.

iv) As per current SEBI Regulations, dividend is required to be credited to shareholders through National Electronic Clearing Service (NECS) wherever the facility is available and the requisite details/mandates have been provided by the Members. Members desirous of availing this facility may send the details of their bank account with the address and the MICR Code of their bank to their Depository Participants (in case of shares held in dematerialized form) or to the RTA (in case of shares held in physical form) at the earliest.

v) Members having shares registered in the same name or in the same order of names but in several folios, may please write to the RTA so that the folios can be consolidated.

vi) Members holding shares in physical form and are desirous of making nomination as permitted under Section 109A of the Companies Act, 1956 in respect of their shareholding, may write to the RTA for the prescribed form.

vii) Members/Proxy holders must bring the Attendance Slip to the Meeting and hand it over at the entrance, duly signed. A blank format is appended to the Annual Report.

viii) Members who wish to obtain any information on the Company or the Accounts may visit Company's website **www.akzonobel.co.in** or may send their queries at least 10 days before the date of the Meeting to the Company Secretary at the Company's Corporate Office at DLF Cyber Terraces, Block A, 20th Floor, Cyber City, DLF Phase III, Gurgaon - 122 002.

ix) Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividends which remain unpaid or unclaimed for a period of 7 years will be transferred to the "Investor Education and Protection Fund" of the Central Government. Shareholders who have not encashed the dividend warrants so far, for the financial year ended 31st March 2004 or any subsequent financial years, are requested to send unencashed dividend warrants, to the RTA for necessary action. Separate intimation to those Members whose dividend cheques remain unencashed as on 31 March 2011, as per the Company's records, have been sent in this regard. All unclaimed dividends in respect of Financial Year 2003-04 are due for transfer to the said Fund on expiry of seven years from the date they fell due. Pursuant to the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the Fund after the transfer of the said dividends to the Fund.

EXPLANATORY STATEMENT
(pursuant to Section 173 for the Companies Act, 1956)

Items 6 and 7
As the Members are aware, Mr Graeme Armstrong and Mr Arvind Uppal, were appointed as Additional Directors of the Company with effect from 1 April 2011. As per Section 260 of the Companies Act, 1956, they will hold office upto the date of the Annual General Meeting following their appointment.

Both Mr Armstrong and Mr Uppal, being eligible, have offered themselves for appointment as Directors of the Company. Notices from shareholders under Section 257 of the Companies Act, 1956 proposing the appointment of Mr Graeme Armstrong and Mr Arvind Uppal have been received by the Company.

Brief resume of Mr Armstrong and Mr Uppal have been given in the Corporate Governance section of the Directors' Report. In view of the vast experience and knowledge that M/s Armstrong and Uppal can bring to the Company, the Board recommends their appointment to the Board as Directors liable to retire by rotation.

The Board recommends the Resolution.

Except Mr Graeme Armstrong and Mr Arvind Uppal, no other Director has any interest or concern in the resolutions.

Item 8
At the Annual General Meeting held on 17 July 2008, Members had delegated authority to the Board to fix the remuneration of the Managing Director and Wholetime Directors from time to time within the maximum limits sanctioned at the said Meeting. The Board and the Remuneration & Nomination (R&N) Committee of the Board, at their meeting held on 11 May 2011, reviewed these limits and have recommended their upward revision with effect from 1 April 2011, considering the managerial remuneration structures in other similar companies and also the need to retain and reward talent, subject to the statutory limits laid down in Sec 198 and 309 of the Act, as follows:

1. **Base Salary**
   The amounts payable under this head shall include Basic Salary, supplementary allowance, leave travel allowance, passage benefits for Managing and Wholetime Directors, but shall not include allowances in lieu of perquisites like housing accommodation, car etc. and shall be subject to the following limits:

   - Managing Director Rs 2.50 million per month (the limit is Rs 2.00 million per month for the present Managing Director)
   - Wholetime Directors Rs 1.20 million per month (present limit Rs 0.60 million per month)

2. **Commission/ Variable Pay including Deferred Performance Award (Long Term Incentive Plan)**
   This head shall include such amount as may be determined by the Board for each financial year within the limits provided under the Companies Act, 1956 and based on the net profit for that year and taking into account the relevant circumstances.

3. **Perquisites**
   This head shall include furnished accommodation, gas, electricity, water, club fees, reimbursement of medical expenses, personal accident/ medical insurance, passage benefits for expatriate Wholetime Directors, and/ or any other perquisite as may be approved by the board or shareholders as the case may be, and shall include allowances in lieu of perquisites like housing accommodation, car etc. as per the rules of the Company.

Provided that limit in aggregate of such Commission/ Variable Pay including Deferred Performance Award (Long Term Incentive Plan) and the Perquisites be fixed at 250% of the Base Salary, which can be used interchangeably without any sub-limits under any of the aforesaid heads. (The earlier limit was 150% in respect of Commission/ Variable Pay including Deferred Performance Award and 100% of Base Salary in respect of Perquisites.)

For the purpose of calculating the ceiling as above, encashment of leave at the end of tenure, expenses on account of car and telephone for official duties, Company's contribution to Provident and other retiral funds to the extent not taxable under the Income Tax Act for Indian Directors and passage benefits for expatriate directors will not be taken into account.

The resolution is intended to give the necessary flexibility to the Board in the emerging competitive environment to fix the remuneration of Managing Director and Wholetime Directors from time to time within the maximum limits as aforesaid and also to rationalize the perquisites where appropriate.

The Board recommends the Resolution.

Except the Managing Director and Wholetime Director of the Company, no other Director has any interest or concern in the Resolution.

Item 9

The Board had at its meeting held on 21 October 2010 has appointed Mr Partha Sarathi Basu (hereinafter referred to as Mr Basu) as the Wholetime Director of the Company for a period of five years with effect from 1 November 2010, subject to the approval of the members at the next general meeting of the Company.

Brief resume of Mr Basu has been given in the Corporate Governance section of the Directors' Report.

The remuneration and other terms relating to Mr Basu's appointment as the Wholetime Director of the Company are contained in the agreement dated 1 November 2010 between Mr Basu and the Company whose salient terms are as follows:

1. **Term**
   5 years with effect from 01 November 2010, subject to the rules of the Company.

2. **Emoluments**
   Subject to the overall limits specified herein and as laid down in Sections 198 and 309 of the Act:

   a) **Fixed Salary**
   Basic Salary and allowances including Leave Travel Allowance: Rs 5,72,500 per month
   Mr Basu shall be entitled to such other allowances as may be approved by the Board from time to time as per the rules of the Company.

   b) **Commission/ Annual Bonus and Deferred Performance Pay (Long Term Incentive Plan)**
   As may be approved by the Board for each financial year based on the performance against agreed criteria subject to the overall ceiling as laid down in Section 309(5) of the Act and after taking into account all relevant circumstances.

   Mr Basu will be paid once off signing Bonus and reimbursement of expenses to facilitate his joining the Company within the desired timeframe, subject to his fulfilling certain conditions, upto a maximum of Rs 2.0m.

   c) **Perquisites**
   The following perquisites would be provided by the Company, subject to tax as applicable:

   i) Accommodation: Residential accommodation subject to the Rules of the Company.

   ii) Car and Telephone: Provision of car for use on Company's business and telephone at residence. These will not be considered as perquisites. However, personal long distance calls on telephone shall be billed by the Company.

iii) Contribution to Retiral Benefit Funds

a) Mr Basu will become a member of ICI's Associated Companies in India Staff Provident Fund with the Company's contribution not exceeding the limit permissible under law (currently 12% of the salary).

b) Mr Basu will be entitled to pension benefits in accordance with the Pension Fund Rules applicable to the Company's Management Staff under the Defined Contribution Scheme. The Company's contribution will be 15% of his Basic Salary.
Provided however that the contributions to the Pension Fund shall not, together with the Company's contribution to the Provident Fund, exceed the maximum limit permissible under law.

c) Mr Basu will be entitled to Gratuity in accordance with the Gratuity Fund Rules applicable to the Company's Management Staff not exceeding half a month's salary for each completed year of service.

iv) Club Fees: Fees of a maximum of two clubs.

v) Leave: Leave on full pay and allowances, as per rules of the Company, but not exceeding 30 days leave for every 12 months of service.

vi) Encashment of Leave: At the end of tenure of office, in accordance with the Company's rules.

vii) Medical Benefits: Reimbursement of expenses actually incurred for self and family.

viii) Personal Accident/Medical Insurance: As per Company policy.

For calculating the monetary value of the perquisites, they shall be valued as per Income Tax Rules wherever applicable and in the absence thereof, at cost.

Mr Basu shall have the option to forego any of the perquisites as above and opt for an allowance in lieu thereof, as per rules of the Company and as approved by the Board. The Board may review and determine from time to time any revision and/or modification in the above perquisites during the tenure of his appointment.

The aforesaid remuneration shall be subject to the limits on remuneration specified in the resolution approved by the shareholders at the Annual General Meeting from time to time. The Board while approving any change in the remuneration of Mr Basu in his Base Salary, Commission/ Annual Bonus and Deferred Performance Pay (Long Term Incentive Plan) and Perquisites, may take into account the recommendations of the Remuneration & Nominations Committee.

3. **Minimum Remuneration**
In the event of absence or inadequacy of profit of the Company in any financial year, Mr Basu will be entitled to receive such minimum remuneration as is permissible under the provisions of the Act.

4. **Termination**
The Agreement provides that either party may terminate the appointment by giving to the other six months' previous notice in writing or such other shorter period as may be mutually agreed between the Board and Mr Basu.

5. The appointment of Mr Basu as Wholetime Director and the remuneration payable to him as aforesaid are to be approved by the shareholders at the next General Meeting.

6. The terms of Mr Basu's appointment, his duties and various obligations are more fully set out in the said Agreement dated 1 November 2011, which will be available for inspection by any member at the registered office of the Company between 10 am to 12 noon on any working day (excluding Saturdays).

None of the Directors of your Company are interested in the above appointment and payment of remuneration except Mr Basu as it relates to his own appointment and fixation of his remuneration.