Akzo Nobel India Limited

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NOTICE OF POSTAL BALLOT

NOTICE PURSUANT TO SECTION 110 AND SECTION 108 OF THE COMPANIES ACT, 2013 READ WITH RULES 20 AND 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 AS AMENDED BY THE COMPANIES (MANAGEMENT AND ADMINISTRATION) AMENDMENT RULES, 2016

Dear Members

NOTICE is hereby given pursuant to Section 110 and Section 108 of the Companies Act, 2013 (the **"Act"**), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2016 (the **"Management Rules"**) including any statutory modification or re-enactment thereof for the time being in force, and other applicable provisions, if any, seeking approval of the Members of Akzo Nobel India Limited (the **"Company"**) by way of a **Special Resolution** appended below (**"Notice"**) through postal ballot including e-voting (*as defined below*). A statement setting out material facts pursuant to Section 102 of the Act is annexed hereto.

The Board of Directors of the Company at its meeting held on April 06, 2018 (**"Board Meeting"**) has, subject to the approval of the shareholders of the Company by way of Special Resolution through postal ballot and subject to approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved buyback of not exceeding 11,20,000 fully paid up equity shares of face value Rs.10 of the Company (**"Equity Shares"**), from the members holding Equity Shares of the Company as on a Record Date (*as defined hereinafter*) (**"Members"**) on a proportionate basis through the 'tender offer' route in accordance with the Act, and rules issued thereunder, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, (the **"Buyback Regulations"**), as amended from time to time, read with Securities and Exchange Board of India (**"SEBI"**) Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 at a price of Rs.2,100 (Rupees Two Thousand One Hundred only) per equity share payable in cash for an aggregate consideration not exceeding Rs.235,20,00,000 (Rupees Two Hundred and Thirty Five Crore and Twenty Lakhs only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc. (the **"Buyback"**). The Buyback shall be within 25% of the aggregate fully paid up share capital and free reserves of the Company as per audited accounts of the Company as on March 31, 2017 (the last audited financial statements available as on the date of Board meeting approving the proposal of the Buyback).

Since the Buyback is more than 10% of the total paid up equity capital and free reserves of the Company, in terms of sections 68(2)(b) of the Act, it is necessary to obtain the consent of the Members of the Company, for the Buyback, by way of a special resolution. Further, as per Section 110 of the Act read with Rule 22(16)(g) of the Management Rules, the consent of the Members to the Buyback is required to be obtained through postal ballot. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the Resolution appended below.

An explanatory statement pursuant to Section 102 of the Act and other applicable legal provisions of the Act and the Buyback Regulations, pertaining to the said Resolution setting out the material facts and the reasons therefor, is appended along with a postal ballot form (the **"Postal Ballot Form"**). Pursuant to Rule 22(5) of the Management Rules, the Board of Directors of the Company has appointed Mr. Atul Kumar Labh and failing him, Mr. Asit Kumar Labh of M/s A.K. Labh & Co., Company Secretaries, Kolkata as the Scrutinizer (the **"Scrutinizer"**) for conducting the postal ballot process (including e-voting), in a fair and transparent manner. The Scrutinizer is willing to be appointed and be available for the purpose of ascertaining the requisite majority.

In compliance with the provisions of Sections 110 and 108 of the Act, read with Rules 20 and 22 of the Management Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is also offering facility of voting by electronic means (**"e-voting"**) as an alternate mode of voting to all Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. Members are requested to follow the procedure as stated in the notes and instructions for casting of votes by e-voting. The Company has engaged services of National Securities Depository Limited (**"NSDL"**) as its agency for providing e-voting facility to Members

of the Company. The period for voting through physical Ballot and e-voting starts from April 23, 2018 at 9.00 am IST and ends on May 22, 2018 at 5.00 pm IST.

The Scrutinizer will submit his report to the Chairman / Managing Director, after completion of scrutiny of postal ballot (including e-voting) in a fair and transparent manner. The results of the postal ballot will be announced by the Chairman or in his absence by any of Directors duly authorised by the Company or in their absence by the Company Secretary of the Company on or before May 25, 2018 at the Registered Office of the Company. The results of the postal ballot alongwith the Scrutinizer's Report will be displayed at the Registered Office of the Company and communicated to BSE Limited (the **"BSE"**) and National Stock Exchange of India Limited (the **"NSE"**) (the NSE together with the BSE is referred to as the **"Stock Exchanges"**) where the Equity Shares of the Company are listed. The results of the postal ballot will also be displayed on the Company's website (**www.akzonobel.co.in**) and on the website of NSDL (**www.evoting.nsdl.com**) and will also be communicated to the stock exchanges on which the Equity Shares of the Company are listed.

The last date specified by the Company for receipt of the duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution shall be deemed to have been passed, if approved by the requisite majority.

SPECIAL BUSINESS:

APPROVAL FOR BUYBACK OF EQUITY SHARES

To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Article 3A of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013 (**"Act"**), as amended, the Companies (Share Capital and Debentures) Rules, 2014 (the **"Share Capital Rules"**) and the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations 1998, as amended (**"Buyback Regulations"**) to the extent applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments, statutory modifications or re-enactments, for the time being in force, and subject to such other approvals, permissions, sanctions and exemptions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the Securities and Exchange Board of India (**"SEBI"**), Reserve Bank of India (**"RBI"**), the relevant Stock Exchanges and/or other authorities, institutions or bodies (the **"Appropriate Authorities"**), as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, sanctions and exemptions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this Resolution), consent of the members be and is hereby accorded for the buyback by the Company of not exceeding 11,20,000 (Eleven Lakh and Twenty Thousand only) fully paid up Equity Shares of Rs.10 each (**"Equity Shares"**) (representing 2.4% of the total number of Equity Shares in the paid-up share capital of the Company) at a price of Rs.2,100 (Rupees Two Thousand One Hundred only) per Equity Share (the **"Buyback Offer Price"**) payable in cash for an aggregate consideration not exceeding Rs.235,20,00,000 (Rupees Two Hundred and Thirty Five Crores and Twenty Lakhs only) (the **"Buyback Offer Size"**) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc., which is not exceeding 25% of the aggregate of the fully paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2017, out of the free reserves of the Company (including securities premium account) or such other source as may be permitted by the Buyback Regulations or the Act, from the equity shareholders of the Company, as on the Record Date, on a proportionate basis, through the 'tender offer' route as prescribed under the SEBI Buyback Regulations (hereinafter referred to as the **"Buyback"**).

RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

RESOLVED FURTHER THAT the Company may buyback Equity Shares from all the existing members holding Equity Shares of the Company as on the Record Date on a proportionate basis, provided 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders, as prescribed under the proviso to Regulation 6 of the Buyback Regulations.

RESOLVED FURTHER THAT the Buyback from non-resident members holding Equity Shares of the Company, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs)/ Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, etc. shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to give effect to the aforesaid resolutions and may delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to any Director(s)/ Officer(s)/ Authorised Representative(s)/ Committee (**"Buyback Committee"**) of the Company in order to give effect to the aforesaid Resolutions, including but not limited to finalizing the terms of the Buyback like Record Date, entitlement ratio, the timeframe for completion of Buyback; appointment of intermediaries / agencies, as may be required, for the implementation of the Buyback; preparation, signing and filing of the Public Announcement, the draft letter of offer / letter of offer with the Securities and Exchange Board of India, the Stock Exchanges and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India, Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder; and to initiate all necessary actions for preparation and issue of various documents including letter of offer, opening, operation and closure of necessary accounts including escrow account with a bank, entering into agreements, release of public announcement, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishment of dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company, and such other undertakings, agreements, papers, documents and correspondence, under the Common Seal of the Company, as may be required to be filed in connection with the Buyback with the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges, Registrar of Companies, Depositories and / or other regulators and statutory authorities as may be required from time to time.

RESOLVED FURTHER THAT the Buyback Committee be and is hereby authorized to delegate all or any of the authorities conferred upon it to any officer(s)/ authorized signatory (ies) of the Company.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholder to offer and / or any obligation on the part of Company or the Board or the Buyback Committee to Buyback any shares, and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if so permissible by law.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and / or the Buyback Committee be and are hereby jointly and/or severally empowered and authorised on behalf of the Company to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and / or any person authorized by the Board of Directors may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

By Order of the Board of Directors
For **Akzo Nobel India Limited**

Rajasekaran Guha
Company Secretary

Place: Gurugram (Gurgaon)
Date: April 13, 2018

NOTES:

1. Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 setting out material facts in respect of Special Resolution to be passed through postal ballot/e-voting is annexed hereto along with Postal Ballot Form for your consideration. It also contains all the disclosures as specified in Schedule II Part A of SEBI (Buyback of Securities) Regulations, 1998.

2. The Notice is being sent to all the members, whose names appear in the register of members/list of beneficial owners, as on the close of working hours on April 06, 2018 (**"Cut Off Date"**), as received from NSDL and Central Depository Services (India) Limited (**"CDSL"**) and those members holding physical shares, whose details are received from the registrar and share transfer agent. Any person who is not a member of the Company as on date specified above shall treat the Notice for information purposes only.

3. Members who have registered their e-mail IDs with depositories / with the Company/ with registrar and share transfer agent are being sent this Notice by e-mail and the members who have not registered their e-mail IDs will receive Notice along with the Postal Ballot Form by Registered Post or any other prescribed mode.

4. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to investor.india@akzonobel.com or rta@cbmsl.com. The registrar and share transfer agent/Company shall forward the same along with self-addressed postage-prepaid business reply envelope to the Member.

5. Members are requested to carefully read the instructions printed on the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed, should be returned in the enclosed self-addressed Business Reply Envelope, directly to the Scrutinizer so as to reach on or before Tuesday, May 22, 2018, 5.00 p.m. (IST). Postage expense will be borne and paid by the Company. Postal Ballot Forms, if sent at the expense of the Members, will also be accepted. Any response received from the Members after May 22, 2018, 5.00 p.m. (IST) shall be treated as if no response is received in terms of Rule 22(12) of the Companies (Management and Administration) Rules, 2014.

6. A Member cannot exercise his vote by proxy on postal ballot.

7. In case of any grievance / clarification in connection with the postal ballot including e-voting, Members may contact NSDL by e-mail at evoting@nsdl.co.in or the Company Secretary at the contact details given hereinabove or at investor.india@akzonobel.com.

8. The Notice and Postal Ballot Form are also placed on the website of the Company, **www.akzonobel.co.in** and website of NSDL, **www.evoting.nsdl.com**.

INSTRUCTIONS FOR VOTING

1. For the purpose of offering e-voting facility, the Company has entered into an agreement with NSDL. e-voting is optional for Members. A Member who wish to vote by Postal Ballot Form (instead of e-voting) can use the enclosed Postal Ballot Form or download it from **www.akzonobel.co.in**.

A. Casting of vote through Electronic Means (e-voting)

In compliance with Regulation 44 of SEBI Listing Obligation and Disclosure Requirements, 2015 (the "Listing Regulations") and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot Form by post. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its Members.

The instructions for e-voting are as follows:

1. Members whose email addresses are registered with the depository participant(s) will receive an email from NSDL informing them of their User ID and password. Once the Member receives the email, he or she will need to go through the following steps to complete the e-voting process :

   a. Open email and open the PDF file titled 'akzonobelevoting.pdf' using your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that this password is an initial password.

      NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file 'akzonobelevoting.pdf'.

   b. Launch your internet browser and type the following URL: **http://www.evoting.nsdl.com**. Click on Shareholder – Login.

   c. Enter the user ID and password (as mentioned in step 1.a or provided in the physical Postal Ballot Form). Click on Login.

   d. The Password change menu will appear. Change the password to a password of your choice. The new password should have a minimum of 8 digits/ characters or a combination thereof. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.

   e. The homepage of e-voting will open. Click on e-voting: Active Voting Cycles.

   f. Select 'EVEN' (E-Voting Event Number) of Akzo Nobel India Limited.

   g. Now you are ready for e-voting as the 'Cast Vote' page opens.

   h. Cast your vote by selecting the option of your choice and click on 'Submit', and also remember to 'Confirm' when prompted.

   i. On confirmation, the message 'Vote cast successfully' will be displayed.

   j. After you have voted on a resolution once, you will not be allowed to modify your vote.

   k. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board resolution/ authorization letter etc., together with attested specimen signature of the authorized signatory(ies) who is / are authorized to vote, to the Scrutinizer via email to aklabhcs@gmail.com with a copy marked to evoting@nsdl.co.in.

2. For members whose email IDs are not registered with Depository Participant(s) and who receive the physical Postal Ballot Forms, the following instructions may be noted:

   a. The initial user ID and password is provided at the bottom of the Postal Ballot Form.

b. Please follow the instructions from 1.b to 1.k to cast your vote.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for Members available in the 'Downloads' section of **www.evoting.nsdl.com**. Members can also call on toll free no.: 1800-222-990.

4. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details / Password' option available on the site to reset the password.

5. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.

   NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on **www.evoting.nsdl.com**.

   In case of shareholders holding shares in demat mode, user ID is the combination of DPID + Client ID.

   In case of shareholders holding shares in physical mode, user ID is the combination of EVEN No. + Folio No.

6. The e-voting period commences on April 23, 2018 (9.00 am IST) and ends on May 22, 2018 (5.00 pm IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the relevant date i.e. April 6, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he or she will not be allowed to change it.

7. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the relevant date i.e. April 6, 2018. Voting rights in the postal ballot / e-voting cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.

B. Casting of Vote through Postal Ballot Form

(a) Members desiring to cast their vote in Postal Ballot Form are requested to execute the Postal Ballot Form as per the instructions stated therein and send the same in the enclosed self addressed postage prepaid envelope.

(b) The vote can be cast by recording the assent in the Column FOR and dissent in the Column AGAINST by placing a tick mark (✓) in the appropriate column.

(c) The Member need not use all the votes nor needs to cast all the votes in the same way.

(d) Members are requested not to send any other paper/ document along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope. If sent, the same paper / document would not be acted upon.

2. Kindly note that the Members can opt only one mode of voting i.e. either by Postal Ballot Form or e-voting. If you are opting for e-voting, then do not vote by Postal Ballot Form also and vice versa. However, in case a Member has voted both by Postal Ballot Form as well as e-voting, then voting done through e-voting shall prevail and voting done by Postal Ballot Form will be treated as invalid.

3. The Scrutinizer's decision on the validity of the postal ballot will be final.

4. The period for voting through physical Ballot and e-voting starts from April 23, 2018 at 9.00 am IST and ends on May 22, 2018 at 5.00 pm IST and any physical ballots received thereafter shall not be considered and e-voting shall be disabled by NSDL.

5. You are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form (no other Form or photo copy is permitted) duly completed, in the enclosed self-addressed postage prepaid envelope, so as to reach the Scrutinizer on or before the close of working hours (5.00 pm IST) on May 22, 2018. No other request / details furnished in the self-addressed envelope will be entertained. The Postal Ballot Forms received after close of working hours (5.00 pm IST), will be treated as if the same has not been received from the Member.

6. The Scrutinizer will submit his report, to the Chairman or in his absence to any other person authorized by him, after completion of scrutiny of postal ballot in a fair and transparent manner. The Scrutinizer's report will be displayed on the Company's website: **www.akzonobel.co.in** The results of the postal ballot will be announced on or before May 25, 2018 and will be displayed at the Registered Office of the Company and communicated to BSE and NSE where the equity shares of the Company are listed. The results of the postal ballot will also be displayed on the Company's website: **www.akzonobel.co.in** and website of NSDL.

The last date specified by the Company for receipt of the duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution shall be deemed to have been passed, if approved by the requisite majority.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

APPROVAL FOR BUYBACK OF EQUITY SHARES

With an objective of enhancing overall shareholder value, optimizing returns to shareholders and optimizing the capital structure of the Company through return of surplus cash the Board at its meeting held on April 06, 2018 has approved and recommended the proposal of buyback of Equity Shares as contained in the Resolution in the Notice. As per the relevant and other applicable provisions of the Act and Buyback Regulations, this Explanatory Statement contains relevant and material information to enable the members holding Equity Shares of the Company to consider and approve the Special Resolution for the Buyback of the Company's Equity Shares.

Requisite details relating to the Buyback are given below:

(a) Necessity for the Buyback

Share buyback is the acquisition by a company of its own shares. Considering the current cash balance of the company, the healthy cash flows that the Company has been able to consistently generate, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the company, the Board of the Company is of the view that the proposed Buyback will help the Company achieve the following objectives: (a) Optimize returns to shareholders; (b) Enhance overall shareholders value and (c) Optimize the capital structure. The above objectives will be achieved by returning part of surplus cash back to Shareholders through the Buyback process. This may lead to reduction in outstanding Shares, improvement in Earnings per Share and enhanced return on invested capital. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The objective is to return surplus cash to the members holding Equity Shares of the Company. The Board at its meeting held on April 06, 2018, considered the accumulated free reserves as well as the cash liquidity reflected in the audited accounts as on March 31, 2017 and considering these, the Board decided to allocate a sum of Rs.235,20,00,000 (Rupees Two Hundred and Thirty Five Crores and Twenty Lakhs only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and service tax, stamp duty, etc. for distributing to the members holding Equity Shares of the Company through the Buyback.

After considering several factors and benefits to the members holding Equity Shares of the Company, the Board decided to recommend Buyback of not exceeding 11,20,000 Equity Shares (representing 2.4% of the total number of Equity Shares in the paid-up share capital of the Company) at a price of Rs.2,100 (Rupees Two Thousand One Hundred only) per Equity Share for an aggregate consideration of Rs.235,20,00,000 (Rupees Two Hundred and Thirty Five Crores and Twenty Lakhs only). Buyback is being undertaken, inter-alia, for the following reasons:

(i) The Buyback will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members:

(ii) The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve allocation of number of shares as per their entitlement or 15% of the number of shares to be bought back whichever is higher, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder" as per Regulation 2(1)(la) of the Buyback Regulations;

(iii) The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;

(iv) The Buyback gives an option to the members holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

(b) Maximum number of securities that the company proposes to Buyback

The Company proposes to Buyback not exceeding 11,20,000 (Eleven Lakh Twenty Thousand only) Equity Shares of the Company.

(c) Buyback Price and basis of determining the price of the Buyback

The Equity Shares of the Company are proposed to be bought back at a price of Rs.2,100 (Rupees Two Thousand One Hundred only) per share ("Buyback Offer Price"). The Buyback Offer Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices of the Equity Shares on the BSE and the NSE where the Equity Shares are listed, the net

worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Share.

The Buyback Offer Price represents:

(i) Premium of 11.78% and 12.08% volume weighted average market price of the Equity Shares on BSE and on NSE, respectively, during the three months preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

(ii) Premium of 15.51% and 15.34% over the volume weighted average market price of the Equity Shares on BSE and on NSE, respectively, for two weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback.

The Company confirms that as required under Section 68(2) (d) of the Act, the ratio of the aggregate of secured and unsecured debts owed by the Company will be not more than twice the paid-up capital and free reserves after the Buyback.

(d) Maximum amount required for Buyback, its percentage of the total paid up Capital and free reserves and Source of funds from which Buyback would be financed

The maximum amount required for Buyback will not exceed Rs.235,20,00,000 (Rupees Two Hundred and Thirty Five Crores and Twenty Lakhs Only) excluding transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc., being 24.71 % of fully paid up share capital and free reserves which is not exceeding 25% of the aggregate of the fully paid up share capital and free reserves of the Company as on March 31, 2017.

The funds for the implementation of the proposed Buyback will be sourced out of the free reserves of the Company including securities premium account or such other source as may be permitted by the Buyback Regulations or the Act. The funds used will not exceed 25% of aggregate of the paid-up share capital and free reserves of the Company as on March 31, 2017.

The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and details of such transfer shall be disclosed in its subsequent audited financial statement.

The funds borrowed, if any, from Banks and Financial Institutions will not be used for the Buyback.

(e) Method to be adopted for the Buyback

The Buyback shall be on a proportionate basis from all the members holding Equity Shares of the Company through the "tender offer" route, as prescribed under the Buyback Regulations, to the extent permissible, as prescribed under the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015. The Buyback will be implemented in accordance with the Act and the Share Capital Rules to the extent applicable, and the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date (the **"Record Date"**) for determining the names of the members holding Equity Shares of the Company who will be eligible to participate in the Buyback.

In due course, each shareholder as on the Record Date will receive a letter of offer along with a tender / offer form indicating the entitlement of the shareholder for participating in the Buyback.

The Equity Shares to be bought back as a part of the Buyback is divided in two categories:

(i) Reserved category for small shareholders; and

(ii) General category for all other shareholders

As defined in Regulation 2(1)(la) of the Buyback Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on Stock Exchanges having highest trading volume as on Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs Only).

In accordance with the proviso to Regulation 6 of the Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

Based on the holding on the Record Date, the Company will determine the entitlement of each shareholder to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.

Shareholders' participation in Buyback will be voluntary. Members holding Equity Shares of the Company may also accept a part of their entitlement. Members holding Equity Shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.

The Equity Shares tendered as per the entitlement by members holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement of the tenders under the Buyback is expected to be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer which will be sent in due course to the members holding Equity Shares of the Company as on the Record Date.

(f) Time limit for completing the Buyback

The Buyback is proposed to be completed within 12 months of the date of Special Resolution approving the proposed Buyback.

(g) Compliance with Section 68(2)(c) of the Companies Act

The aggregate paid-up share capital and free reserves as on March 31, 2017 is Rs.951.8 crores. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e. Rs.237.9 crores. The maximum amount proposed to be utilized for the Buyback, is not exceeding Rs.235.2 crores and is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves as per the audited accounts of the Company as on March 31, 2017 (the last audited financial statements available as on the date of Board meeting approving the proposal of the Buyback).

Further, under the Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that the Company proposes to buy back is upto 11,20,000 (Eleven Lakh Twenty Thousand) Equity Shares and the same is within the aforesaid 25% limit.

(h) Details of Promoter shareholding

Except as stated below, none of the (i) promoters; (ii) members of the promoter group (iii) directors of the promoter and members of the promoter group, where such promoter or promoter group entity is a Company and (iv) of persons who are in control of the Company, hold any Equity Shares of the Company as on the date of this Notice:

Sr. No.	Name of promoter/ promoter group entity	No. of Shares held	Percentage
1.	Imperial Chemical Industries Limited	2,29,77,544	49.24%
2.	Akzo Nobel Coatings International B.V.	1,10,66,495	23.72%
3.	Akzo Nobel (C) Holdings B.V.	291	0%
4.	Panter B.V.	5	0%
	Total	**3,40,44,335**	**72.96**%

None of the Directors or Key Managerial Personnel of the Company holds any Equity Shares in the Company.

No Equity Shares or other specified securities in the Company were either purchased or sold by any member of the (i) promoters; (ii) members of the promoter group (iii) directors of the promoter and promoter group, where such promoter or promoter group entity is a Company and (iv) of persons who are in control of the Company during a period of 12 months preceding the date of the board meeting at which the Buyback was approved and from that date till the date of Notice for Buyback, save for inter se transfer of shares within the Promoter Group, involving 24,39,847 shares. The details of which are provided below:

Sl. No.	Name of promoter/ promoter group entity	Number of shares sold or purchased	Price per share sold or purchased (In Rs.)	Date of sale or purchase
1	Akzo Nobel Chemicals International B.V.	2,439,847	1,800	January 19, 2018 (Sale)
2	Akzo Nobel Coatings International B.V.	2,439,847	1,800	January 19, 2018 (Purchase)

No Equity Shares or other specified securities in the Company were either purchased or sold by Directors / KMPs of the Company during the period of 12 months preceding the date of the Board Meeting at which the proposal for Buy-back was approved i.e. April 06, 2018.

(i) Intention of Promoter and Promoter Group to participate in Buyback

The Promoters of the Company have expressed their intention to not participate in the Buyback.

(j) Confirmations from Company as per the provisions of Buyback Regulations and Companies Act

(i) The Company shall not issue any Equity Shares or other securities (including by way of bonus) till the date of closure of the Buyback;

(ii) The Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of subsisting obligations.

(iii) The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to buyback is made;

(iv) The Company shall not buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.

(v) The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.

(vi) The Company confirms that no defaults have been made by Company in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

(k) Confirmation from the Board

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

(i) Immediately following the date of the Board meeting, and the date on which the results of shareholders' resolution passed by way of postal ballot/ e-voting (**"Postal Ballot Resolution"**) will be declared, approving the Buyback, there will be no grounds on which the Company could be found unable to pay its debts;

(ii) As regards the Company's prospects for the year immediately following the date of the Board meeting approving the Buyback as well as for the year immediately following the date of Postal Ballot Resolution, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board meeting as also from the date Postal Ballot Resolution; and

(iii) In forming an opinion as aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities), as if the Company was being wound up under the provisions of the Companies Act, 2013, as the case may be.

(l) Report addressed to the Board of Directors by the Company's Statutory Auditors on the permissible capital payment and the opinion formed by directors regarding insolvency

The text of the report dated April 13, 2018 received from the Company's statutory auditors addressed to the Board of Directors of the Company is reproduced below:

To,
The Board of Directors
Akzo Nobel India Limited
DLF Epitome, Building No. 5, Tower A,
20th Floor, DLF Cyber City Phase III,
Gurgaon- 122002,
Haryana, India

Auditors' Report on Buy Back of Shares pursuant to the requirement of Schedule II to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998

1. This report is issued in accordance with our agreement dated April 10, 2018.

2. We have been engaged by Akzo Nobel India Limited (the "Company") to perform a reasonable assurance engagement on determination of the amount of permissible capital payment as detailed in the accompanying Annexure-1 in connection with the proposed buy back by the Company of its equity shares in pursuance of Section 68 and Section 70 of the Companies Act, 2013 (the "Act") and The Companies (Share Capital and Debentures) Rules, 2014 and the regulations as specified in the 'Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998' and amendments thereto (the "Regulations") and on the opinions expressed by the Board of Directors of the Company, as required under the Regulations. We have initialled the Annexure-1 for identification purposes only.

Board of Directors Responsibility

3. The Board of Directors of the Company is responsible for the following:

i) The amount of capital payment for the buy-back is properly determined; and

ii) It has made a full inquiry into the affairs and prospects of the Company and has formed the opinion that the Company will not be rendered insolvent within a period of one year from the date of the Board Meeting (the "BM") for buyback.

Auditors' Responsibility

4. Pursuant to the requirement of the Regulations, it is our responsibility to obtain reasonable assurance on the following "Reporting Criteria":

   i. whether the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act; and

   ii. whether the Board of Directors has formed the opinion, as specified in Clause (x) of Schedule II to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date of the BM.

5. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. Within the scope of our work, we performed the following procedures:

   i) Examined authorisation for buy back from the Articles of Association of the Company;

   ii) Examined that the amount of capital payment for the buy-back as detailed in Annexure-1 is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;

   iii) Examined that the ratio of the debt owed by the Company, if any, is not more than twice the capital and its free reserves after such buy-back;

   iv) Examined that all the shares for buy-back are fully paid-up;

   v) Inquired into the state of affairs of the Company with reference to the audited financial statements of the Company as at and for the year ended March 31, 2017 (the "Audited Financial Statements") which have been prepared by the Management of the Company; and examined budgets and projections prepared by the Management;

   vi) Examined minutes of the meetings of the Board of Directors;

   vii) Examined Directors' declarations for the purpose of buy-back and solvency of the Company; and

   viii) Obtained appropriate representations from the Management of the Company.

6. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. The financial statements referred to in paragraph 5 (v) above, have been audited by us on which we issued an unmodified audit opinion vide our report dated May 18, 2017. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

Opinion

9. As a result of our performance of aforementioned procedures, we report that:

   i. The amount of capital payment of Rs. 2,352.0 million for the shares in question, as stated in the accompanying certified extract of the minutes of the Board of Directors' meeting held on April 6, 2018, which we have initialled for identification, is within the permissible capital payment of Rs. 2,379.5 million, as calculated in Annexure-1 based on the Audited Financial Statements, which, in our opinion, is properly determined in accordance with Section 68 of the Act and

ii. The Board of Directors in their meeting held on April 6, 2018 has formed the opinion, as specified in Clause (x) of Schedule II to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date of the BM for buyback.

Restrictions on Use

10. Our work was performed solely to assist you in meeting your responsibilities with reference to the Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.

11. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable the Board of Directors of the Company to include in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders of the Company and Public Announcement to be made to the shareholders of the Company, which will be filed with (a) the Registrar of Companies as required by the Regulations (b) the National Securities Depository Limited and the Central Depository Services (India) Limited for the purpose of extinguishment of equity shares (c) ICICI Securities Limited, the authorised dealer for the purpose of capital payment, and (e) Securities and Exchange Board of India, the BSE Limited and the National Stock Exchange of India Limited and should not be used for any other purpose and should not be used for any other purpose. Price Waterhouse Chartered Accountants LLP does not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report, or Public Announcement which includes our report, is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

Anurag Khandelwal
Partner
Membership Number: 078571

Place: Gurugram (Gurgaon)
Date: April 13, 2018

Annexure-1 to the report of the Auditors

Statement of determination of the permissible capital payment towards buyback of equity shares (the "Statement") in accordance with Section 68 of the Companies Act, 2013.

Particulars as at March 31, 2017	Amount in Rs. Million	
Paid up equity share capital		
(46,660,314 equity shares of face value Rs.10/- each)		467.0
Free Reserves		
Securities Premium	-	
General Reserve	6,246.0	
Profit & Loss Account	2,805.0	
Total Reserves		9,051.0
Total Paid up Capital and Free Reserves		9,518.0
Maximum amount permissible for buyback under Section 68 of the Companies Act, 2013 (25% of the paid up capital and free reserves)		2,379.5
Maximum amount permissible by Board resolution dated April 6, 2018 approving buyback, subject to shareholder approval, based on the audited financial statements for the year ended March 31, 2017		2,352.0

For any clarifications related to the Buyback process, members holding equity shares of the Company may contact Mr. Rajasekaran Guha, Company Secretary at Tel: 0124 2540400; Email: investor.india@akzonobel.com

All the material documents referred to in the Explanatory Statement such as the Memorandum and Articles of Association of the Company, relevant Board Resolution for the Buyback, the auditors report dated April 13, 2018 and the audited accounts of the Company as on March 31, 2017 are available for inspection by the members of the Company at its Registered Office on any working day between 10.00 am and 5.00 pm up to the last date of receipt of Postal Ballot Form specified in the accompanying Notice.

In the opinion of the Board, the proposal for Buyback is in the interest of the Company and its members holding Equity Shares of the Company. The Directors, therefore, recommend passing of the Special Resolution as set out in the accompanying Notice.

None of the Directors or any Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

By Order of the Board of Directors

For **Akzo Nobel India Limited**

Place: Gurugram (Gurgaon)
Date: April 13, 2018

Rajasekaran Guha
Company Secretary

Akzo Nobel India Limited

CIN: L24292WB1954PLC021516
Regd Off. : Geetanjali Apartment, 1st Floor,
8-B, Middleton Street, Kolkata - 700 071
Tel: 033 - 2226 7462 **Fax:** 033 - 2227 7925

POSTAL BALLOT FORM

Sl No.....

Name & Registered Address of the Shareholder
Joint holder, if any
Folio / D.P. & Client I.D. No
No. of Equity Shares held

I / We hereby exercise my / our vote in respect of the following Special Resolution to be passed through Postal Ballot for the business stated in the Postal Ballot Notice dated April 13, 2018, by sending my / our assent or dissent to the said resolution by placing tick [✓] mark in the appropriate box below :

Description	No. of shares	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
Special Resolution under Section 68 of the Companies Act, 2013 for buyback of a maximum of 11,20,000 equity shares of the Company (representing 2.4% of the total number of equity shares) from the equity shareholders on a proportionate basis through the "Tender Offer" route as prescribed under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 at a price of Rs. 2,100 per equity share, aggregating Rs. 235.2 Crores.			

Place :

Date :

Signature of Shareholder / Authorised Signatory

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	USER ID	PASSWORD/PIN

Note: (1) For e-voting, please follow the instructions given under section 'Casting of vote through Electronic Means' appended to the Notice.
(2) To cast vote through Postal Ballot Form, please read instructions overleaf.

INSTRUCTIONS

1. A shareholder desiring to exercise vote may complete this Postal Ballot Form in original and send it to the Scrutinizer in the attached pre-addressed envelope on which postage will be paid by the company. However, envelopes containing Postal Ballot Forms, if sent by courier or registered post, at the expense of the shareholder, will also be accepted.

2. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.

3. Unsigned Postal Ballot Forms will be rejected.

4. **Duly completed Postal Ballot Form should reach the Scrutinizer not later than 5.00 PM IST on May 22, 2018.** All Postal Ballot Forms received after this date will be strictly treated as if reply from such shareholder has not been received.

5. In case of shares held by companies, trusts, societies etc, duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authority.

6. Voting rights have been reckoned on the paid up value of the shares registered in the name of the shareholders as on April 6, 2018.