AKZO NOBEL INDIA LIMITED

Registered Office:
Geetanjali Apartment, 1st Floor, 8B, Middleton Street, Kolkata 700 071, India.
Tel. No.: +91 33 2226 7462, Fax No.: +91 33 2227 7925

Corporate Office:
DLF Cyber Terraces, Building No 5, Tower A, 20th Floor, Cyber City,
DLF Phase III, Gurgaon 122 002, India
Tel. No.: +91 124 254 0400, Fax No.: +91 124 254 0849

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF AKZO NOBEL INDIA LIMITED

This Public Announcement is being made pursuant to the provisions of Regulation 8 (1) of the SEBI (Buyback of Securities) Regulations, 1998 for the time being in force including any statutory modifications and amendments from time to time including SEBI (Buy-back of Securities) (Amendment) Regulations, 2012 and contains the disclosures as specified in Part A of Schedule II to these Regulations

OFFER FOR BUYBACK OF UP TO 1,300,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF RS. 10 EACH AT A PRICE OF RS. 920 PER FULLY PAID UP EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 Pursuant to the resolution passed by the Board of Directors of Akzo Nobel India Limited ("Akzo Nobel" or "the Company") on May 21, 2012, the Company hereby announces the buyback ("the Buyback") of up to 1,300,000 fully paid-up Equity Shares of face value Rs. 10 each ("Shares" or "Equity Shares") from the existing shareholders / beneficial owners of Equity Shares of the Company, on a proportionate basis, through the tender offer process, in accordance with the provisions contained in the Article 3A of the Articles of Association of the Company, Sections 77A, 77AA, 77B and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and the provisions contained in the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as amended from time to time ("the Buyback Regulations") subject to approval/s as may be necessary, from time to time from statutory authorities including but not limited to Securities and Exchange Board of India ("SEBI"), Stock Exchanges, Reserve Bank of India, etc. at a price of Rs. 920 per Equity Share ("Buyback Price") payable in cash, for an aggregate maximum amount of Rs. 1,196 million (Rupees One thousand one hundred ninety six million only) ("the Buyback Size"). The Buyback Size represents 8.7% of the aggregate of Company's paid-up Equity Share capital and Free Reserves as on March 31, 2012 which stands at Rs.13,758 million.

1.2 The maximum amount required by the Company for the said Buyback aggregating to Rs. 1,196 million will be met out of the free reserves and / or cash balances and / or internal accruals of the Company. The maximum amount utilized for the Buyback will not exceed 10% of the paid up Equity Share capital and Free Reserves of the Company as on March 31, 2012. The Company proposes to buy back a maximum of 1,300,000 fully paid-up Equity Shares of face value Rs. 10 each, in the proposed tender buyback offer. The Buyback price of Rs. 920 per Equity Share has been arrived at after considering the present stock market conditions, trends in the market price of Equity Shares of the Company, Company's book value as on March 31, 2012 and the possible impact of the Buyback on the Earnings Per Share ("EPS") and financial ratios of the Company and other relevant considerations.

1.3 Necessity for Buy Back

The Board of Directors of the Company is of the view that the proposed Buyback will help the Company achieve the following objectives:

(a) Optimize returns to shareholders; and

(b) Enhance overall shareholders value.

The proposed 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 EPS 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.

2. DETAILS OF PROMOTER SHAREHOLDING

2.1 The particulars of the Equity Shares of the Company held by the Promoters and Promoter Group ("the Promoter"), the Directors of the Promoter and the Persons who are in control of the Company, as on the date of the Board Meeting i.e. May 21, 2012 is given below:

Promoters and Promoter Group	
Imperial Chemical Industries Limited, UK	21,967,544 Equity Shares
Akzo Nobel Coatings International B.V.	8,626,649 Equity Shares*
Akzo Nobel Chemicals International B.V.	2,439,847 Equity Shares*
Akzo Nobel (C) Holdings B.V.	291 Equity Shares*
Panter BV	5 Equity Shares*
Directors of the Promoter	Nil Equity Shares
Other Directors of the Company	Nil Equity Shares
Total Shareholding of Persons in Control	33,034,336 Equity Shares*
Total Outstanding Shares of the Company	47,960,314 Equity Shares*
% Shareholding of Promoter & Directors of Promoter	68.88 %*

** This is as per Share allotment resolution passed in the Board Meeting dated May 21, 2012. Necessary formalities in connection with credit of shares to the respective demat accounts or issue of share certificates, as the case may be, is currently in process.*

2.2 The Company confirms that one of the Promoters (Imperial Chemical Industries Limited, UK) purchased total 1,191,331 shares (3.23% of the Equity Share capital on the day of this purchase) during six months preceding May 21, 2012, being the date of Board Meeting approving the Buyback.

2.3 The above mentioned purchase was completed through an off-market transaction on January 31, 2012 at a price of Rs. 855 per Equity Share.

2.4 None of the Directors of the Promoter or Persons who are in control of the Company have purchased or sold shares of the Company during six months preceding May 21, 2012, being the date of Board Meeting approving the Buyback.

3. The proposed Buyback will be implemented from the existing shareholders, other than those who are Promoters, Promoter Group and Persons Acting in concert (such shareholders herein after collectively referred to as "Persons in Control") and will include such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, ("SEBI Takeover Regulations"). None of the Persons in Control of the Company intends to tender their Shares in the proposed Buyback and will not transact in the Shares of the Company during the period of the Buyback.

4. The Board of Directors of the Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

5. The Board of Directors of the Company hereby confirms that based on such full inquiry conducted into the affairs and prospects of the Company, and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act, the Board of Directors has formed an opinion that:

- Immediately following the date of the Board meeting held on May 21, 2012, there are no grounds on which the company can be found unable to pay its debts;
- As regards the Company's prospects for the year immediately following the date of the Board meeting held on May 21, 2012, 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 that date; and
- Confirm that in forming an opinion as aforesaid, the Board of Directors have taken into account the liabilities, as if the Company were being wound up under the provisions of the Act (including prospective and contingent liabilities)

6. The text of the report dated May 23, 2012 received from M/s B S R & Associates, Chartered Accountants, the statutory auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

"We have been informed that the Board of Directors in their meeting held on 21 May 2012 have decided to buy-back Company's Shares as allowed under Section 77A of the Companies Act, 1956. In this connection, we confirm as under:-

(i) We have inquired into the state of affairs of the Company in relation to its accounts for the year ended March 31, 2012, which were taken on record by the Board of Directors in the meeting held on 21 May 2012 and audited by us.

(ii) The amount of permissible capital payment towards buy-back of equity shares in question as ascertained below, has been properly determined in accordance with Section 77 A(2)(c) of the Companies Act, 1956:

(Rs. in million)

Particulars	**As at March 31, 2012**
Paid up equity share capital as on 31 March 2012 (36,834,331 equity shares of Rs. 10/- each, fully paid-up)	368
"Free Reserves" (excluding capital, capital redemption and revaluation reserves) as on 31 March 2012 [as defined in Section 77A read with explanation (b) of Section 372A of the Companies Act, 1956]	13,390
Total	**13,758**
Maximum amount permitted for buy-back i.e. 10% of total paid up capital and free reserves	1,375

(iii) Based on the representations made by the Company and other information and explanations given to us, which to the best of our knowledge and belief were necessary for this purpose, we report that the Board of Directors in their meeting held on 21 May 2012 have formed their opinion, as specified in clause (xi) of Part A of Schedule II of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from that date.

For **B S R & Associates**
Chartered Accountants
Firm Registration Number: 116231W

Kaushal Kishore
Partner
Membership No: 090075"

Date: 23 May 2012
Place: Gurgaon

7. The Buyback is open to all Equity Shareholders / beneficial owners of the Company holding Shares either in physical and/or electronic form except the Promoters, Promoter Group and/or Persons who are in control of the Company.

8. The Buyback shall be implemented in the manner and following the procedure prescribed in the Act and the Buyback Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

9. RECORD DATE AND SHAREHOLDER ENTITLEMENT

9.1 The Company shall announce a record date for the purpose of determining the entitlement and the names of the shareholders, who are eligible to participate in the proposed Buyback offer. The shares proposed to be bought back by the Company, as part of this offer shall be divided in to two categories; (a) reserved category for small shareholders (Defined as a shareholder, who holds shares whose market value, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on record date, is not more than two lakh rupees) and (b) the general category for other shareholders, and the entitlement of a shareholder in each category shall be calculated accordingly.

9.2 The reserved category for small shareholders shall be fifteen percent of the number of shares which the Company proposes to buy back, or number of shares entitled as per shareholding of small shareholders, whichever is higher.

9.3 After accepting the shares tendered on the basis of entitlement, shares left to be bought back, if any in one category shall first be accepted, in proportion to the shares tendered over and above their entitlement in the offer by shareholders in that category, and thereafter from shareholders who have tendered over and above their entitlement in other category.

10. COMPLIANCE OFFICER

Mr. R. Guha, Company Secretary,
Akzo Nobel India Limited
DLF Cyber Terraces, Building No 5, Tower A, 20th Floor, Cyber City, DLF Phase III,
Gurgaon 122 002, India
Tel. No.: +91 124 254 0400, Fax No.: +91 124 254 0849, E-mail: r.guha@akzonobel.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 9 am. to 5 pm. on all working days except holidays.

11. INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day except Saturday, Sunday and Public holidays between 10 AM and 4 PM at the following address:

C B Management Services (P) Ltd.
P-22, Bondel Road, Kolkata 700 019
Contact Person: Mr Shankar Ghosh
Tel No.: +91 33 22806692-94, Fax No.: +91 33 22870263, Email: rta@cbmsl.com

12. MANAGER TO THE BUYBACK

ICICI Securities

ICICI Securities Ltd.
ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 021
Tel No.: +91 22 2288 2460 Fax No.: +91 22 2282 6580,
E-mail: akzonobel.buyback@icicisecurities.com,
Contact Person: Amit Joshi / Vishal Kanjani

13. DIRECTORS RESPONSIBILITY

As per Regulation 19(1)(a) of the Buyback Regulations, the Directors of the Company accept full and final responsibility for the information contained in this Public Announcement.

For and on behalf of the Board of Directors of
Akzo Nobel India Limited

Sd/-	Sd/-	Sd/-
Amit Jain	**Partha Sarathi Basu**	**R Guha**
Managing Director	Whole Time Director	Company Secretary

Place: Gurgaon
Date: May 23, 2012