Akzo Nobel India Limited

Minutes of Fifty Eighth Annual General Meeting of Members of Akzo Nobel India Limited held on 9th August, 2012 at Mini Auditorium, Science City, JBS Halden Avenue, Kolkata 700 046

Present on the dais

Mr Nihal Kaviratne CBE	Chairman
Mr Amit Jain	Managing Director / Also representing: 1. Imperial Chemical Industries Limited, 2. Akzo Nobel Coatings International B.V. , and 3. Akzo Nobel Chemicas International B.V.
Mr Partha Sarathi Basu	Wholetime Director
Mr Arvind Uppal	Director
Mr R Gopalakrishnan	Director
Ms Renu Sud Karnad	Director
Dr Sanjiv Misra	Director
Mr R Guha	Secretary

The attendance of members at the Meeting was as follows:

Members	No	No of shares
Members present in person	139	7580
Members present by Proxy	26	500051
Representation u/s 187	11	35365094
Total	**176**	**35872725**

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 2011.
c) Agreement dated 15 May 2009 between Mr Amit Jain, Managing Director and the Company.

1. **Chairman's address**

The quorum being present, the Chairman called the 58th Annual General Meeting ("AGM") of the Company to order at 14:30 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, Mr Partha Sarathi Basu, Wholetime Director and Chief Financial Officer, Ms Renu S Karnad, Director and Chairperson of the Audit Committee, Mr Arvind Uppal, Director and Mr R Guha, the Company Secretary seated on the dais. Mr Graeme Armstrong, Director, could not attend the meeting due to prior commitments and has sent his apologies.

Thereafter, the Chairman shared some of his thoughts on the business environment in India, progress made by the Company during the year 2011-12 and performance during the quarter April-June 2012. 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 21st May, 2012 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 31st March 2012 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, the Auditors of the Company.

With the permission of the Chairman, some of the members present, listed in **Annexure 3,** sought certain clarifications and explanations relating to the accounts and the Company's growth plans.

After the Chairman answered the pertinent questions from the members, 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 the Statement of Profit and Loss for the year ended 31st March, 2012, together with the Cash flow statement for the year and 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 unanimously by show of hands.

3.2 **Dividend**

Mr R K Saraf (DP/ Client ID IN30009510433769) 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 31st March, 2012 be and is hereby declared at the rate of Rs.20.00 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 unanimously by show of hands.

3.3 **Re-appointment of Mr R Gopalakrishnan as a Director**

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 R Gopalakrishnan who retires by rotation and is eligible for reappointment be and is hereby reappointed as Director of the Company."

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

3.4 **Re-appointment of Dr Sanjiv Misra as a Director**

Mr Arabinda Basu (DP/ Client ID IN30044110745973) proposed and Mr R Sharma (DP/ Client ID IN30021410180038) seconded the following Resolution as an Ordinary resolution:

"Resolved that Dr Sanjiv Misra who retires by rotation and is eligible for reappointment be and is hereby reappointed as Director of the Company."

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

3.5 **Reappointment of Auditors**

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 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 4.5 million
Tax Audit	Rs 1.2 million
Statutory certification	Rs 1.5 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.

Special Business

3.6 **Revision in Remuneration of the Auditors for the year 2011-12**

Mr B N Kundu (Folio No. BNK024) proposed and Mr S Gattani (DP/Client ID IN30044110570834) seconded the following Resolution as an Ordinary resolution:

"Resolved that in partial modification of the resolution approved at the Annual General Meeting held on 22 July 2011, the remuneration of the Auditors, M/s B S R & Associates, Chartered Accountants, be revised as given below:

Statutory Audit	Rs 4.5 million
Tax Audit	Rs 1.0 million
Statutory certification	Rs 1.2 million

In addition, reasonable out-of-pocket expenses and service taxes 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."

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 (DP/Client ID IN30044110570834) seconded a vote of thanks to the Chair. It was carried unanimously.

The Chairman thanked the Members once again and the meeting ended at 16:30 hrs.

N Kaviratne
Chairman

AGM 2012 – Minutes

Annexure 1

58TH AGM - CHAIRMAN'S ADDRESS

Address by Nihal Kaviratne, CBE, Chairman

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

Welcome to the 58th Annual General Meeting of your Company. This is my second meeting as Chairman and it is a moment of both, joy and satisfaction for me. As you are aware, this has been a milestone year in the history of the Company. In 2010, we changed the name of our Company from ICI to AkzoNobel as a precursor to uniting the various AkzoNobel entities in India. This year, was defined by the merger of three AkzoNobel Group companies in India—Akzo Nobel Coatings India Private Limited, Akzo Nobel Car Refinishes India Private Limited and Akzo Nobel Chemicals (India) Limited—with Akzo Nobel India. As a merged entity, Akzo Nobel India has been catapulted to the league of large sized corporate in India. As one Company, we have nine business units, substantially increased portfolio, a wider reach in market, a larger talent pool and increased number of manufacturing and R&D facilities.

While this year has been momentous for us in the positive sense of the word, the same cannot be said of the economic environment that we have been operating in. We are going through tough economic conditions, both, globally and in India. A drought has been officially declared, the devaluation of the rupee has nullified any potential impact of stabilizing raw material prices that had spiraled upward over last one year. Stress is rising on the demand side, with inflation remaining unabated and consumer confidence slipping. With industrial production not picking up, sectors like auto, consumer durables and realty slowing down, the overall GDP growth forecast is being pegged at lower than 2011-12 level and we have challenging times in the year ahead.

Despite this slowdown in the Indian economy, I am confident that our growth story will continue to be vibrant and positive. This confidence comes from the scale that the merger has offered AkzoNobel - it has made it stronger and ready to take on further challenges. The strategy of the Company has been re-defined and the Board is closely monitoring all the new developments. The plans are ambitious; the path clearly delineated.

You all must have received the Annual Report for 2011-12, which has the 'Power of One' as its theme. As 'One AkzoNobel' we are a united force. Our edge in coatings & chemicals technology coupled with R&D access presents us many opportunities. We have plans for entering new categories and recently launched our wood finishes & adhesive business. We have the capability of offering a coating solution for practically every substrate and meeting every type of need for performance, protection, durability and great looks. We have rolled out our Customer focused solutions - Key Account Management model, providing customers the benefit of a single window access. We now have even greater expertise and capabilities to script our success story.

As we shared with you in the Annual Report, the total revenue for the year, at Rs 2100 crores has been a milestone for the Company as this is the first time we have crossed the psychologically significant figure of Rs 2000 crore. This achievement is largely led by the growth in the Decorative Paints business. Profit before tax was at Rs 246 crore, higher than

the previous year by 12%. I have the pleasure to announce that your board recommended an increase in the dividend to Rs 20 per share and also proposed a share buyback programme at Rs 920 per share through a tender offer. Both physical and demat shareholders were able to participate in this offer; the Company has bought back a total of 13 lakh shares. Underlining its commitment to the Company and its confidence in the growth opportunities in India, AkzoNobel N.V. has further invested in the shares of the Company during the year.

I would now like to share with you some other achievements of the year. We continued with our focus on new to market products solutions across various business lines - these innovations will give us a stronger footing in the coatings business. We have commissioned a 30 million litre facility in Hyderabad and have added new capacity for Coil coatings at Bangalore. With the merger, we now have five operating factory sites and are adding one more integrated Greenfield site at Gwalior. In addition to our Research & Development centre in Mumbai, we now have the advantage of our International Research Centre, in Bangalore, with a force of 105 talented scientists; this, I am confident, will result in further innovation. I am also pleased to inform you that our Chemicals business won the National Safety Award from FICCI and has been winning the National Safety Council awards for the last three years.

At Akzo Nobel India, we are of the firm belief that it is our people who will provide Tomorrow's Answers Today.™ They will open the doors of future success for the Company. Consequent to merger, the number of employees has gone up from 1,027 to 1,716. Propelled by our belief that as our people grow, so do we, we do our utmost to offer them opportunities to allow their skills to flourish. And, when Akzo Nobel India was declared one of the best overall talent management organizations of the year at the World HRD Congress 2012, we felt that our efforts were not in vain.

I would like to share with you the Company's performance in the quarter April-June 2012 which was approved by the Board at its meeting held earlier today. The Company has been able to grow its top-line for the quarter to Rs 563 crore despite tough economic conditions. However, this figure is not comparable with the figures reported for the corresponding period of the previous year in view of the merger.

Pressures on margin from costs has impacted all businesses, resulting in PAT for the quarter dropping to Rs 61 crore against Rs 68 crore reported for the same quarter last year.

Accountability and transparency are the key pillars of governance in our Company. Strong internal controls and multi-level checkpoints guarantee that we work within this framework. In this way, we make sure that our commitments to all of you are met and promises delivered.

Corporate social responsibility and sustainability are of great significance to all of us at Akzo Nobel India. These are not mere catchphrases, they define our every action. We care for the weaker sections of society; we feel deeply about the environment. These values are at the forefront of all that we do. It has always been your Company's endeavour to reach out to the less privileged, making it a part of our business to transform their lives.

In concluding, I thank you all for being here; it is your encouragement that makes us eager to strive for greater heights. Let us now move on to the main business of Akzo Nobel India's AGM, as listed in the notice of the meeting.

Annexure 2

Notice of Annual General Meeting

Notice is hereby given that the 58th Annual General Meeting of the Members of Akzo Nobel India Limited will be held on Thursday, 9th August, 2012 at 14:30 hours at Mini Auditorium, Science City, JBS Halden Avenue, Kolkata- 700 046 to transact the following business:

Ordinary business

1. To consider and adopt the audited Profit and Loss Account for the financial year ended 31st March, 2012, the audited Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.

2. To declare Dividend on equity shares for the year ended 31st March, 2012.

3. To appoint a Director in place of Mr R Gopalakrishnan who retires by rotation. Being eligible, he has offered himself for reappointment as a Director of the Company. A brief resume of Mr Gopalakrishnan 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 R Gopalakrishnan be and is hereby re-appointed a Director of the Company."

4. To appoint a Director in place of Dr S Misra who retires by rotation. Being eligible, he has offered himself for reappointment as a Director of the Company. A brief resume of Dr Misra 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 Dr Sanjiv Misra be and is hereby re-appointed a Director of the Company."

5. To appoint Auditors for the year 2012-13 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 4.5 million
Tax Audit	Rs 1.2 million
Statutory certification	Rs 1.5 million

In addition, reasonable out-of-pocket expenses and service taxes 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 revise the remuneration of Statutory Auditors for the year 2011-12 and for this purpose to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

"Resolved that in partial modification of the resolution approved at the Annual General Meeting held on 22nd July, 2011, the remuneration of the Auditors, M/s B S R & Associates, Chartered Accountants, be revised as given below:

Statutory Audit	Rs 4.5 million
Tax Audit	Rs 1.0 million
Statutory certification	Rs 1.2 million

In addition, reasonable out-of-pocket expenses and service taxes 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."

By order of the Board
R Guha
Company Secretary

Gurgaon
21st May 2012

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 him but the 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 1 August 2012 to 9 August 2012 both days inclusive.

iii) Dividend, if approved at the Meeting, will be paid on or around 14 August 2012 by means of direct bank credit (ECS) or dividend warrants or cheques to those members whose names appear on the Company's Register of Members as on 9 August 2012 by means of direct bank credit (ECS) or dividend warrents or cheques.

a. In case of shares held in electronic form, to the beneficial owners of shares as on 31st July, 2012 as per the downloads furnished to the Company by the depositories for this purpose;

b. In case of shares held in physical form, to those members whose names appear on the Company's Register of Members after giving effect to all valid stock transfers lodged with the Company before closing hours on 31st July, 2012.

iv) As per current SEBI Regulations, dividend is required to be credited to shareholders through Electronic Clearing Service (ECS) wherever the facility is available and the requisite details/ mandates have been provided by the Members. Members desirous of availing of 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 for consolidation of the folios.

vi) Members holding shares in physical form and are desirous of making nomination in terms of Section 109A of the Companies Act, 1956, 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 the 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. 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 unclimed for a period of 7 years will be transferred to the Investor Education and Protection Fund (the 'Fund') of the Central Government. Shareholders who have not encashed the dividend warrants so far, for the financial year ended 31st March, 2006 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 31st March, 2012, as per the Company's records, has been sent in this regard. All unclaimed dividends in respect of Financial Year 2004-05 onwards are due for transfer to the 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 said transfer.

Explanatory Statement, pursuant to Section 173 for the Companies Act, 1956

Items 6

As the Members are aware, M/s B S R & Associates, Chartered Accountants, were appointed as the Auditors of the Company at the AGM held on 22 July 2011, at the following remuneration:

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

Subsequently, with the merger of three Akzo Nobel Group Companies with the Company, which was approved by the Board in October 2011 and since been sanctioned by the jurisdictional High Courts, their work and responsibility has gone up to a considerable extent. With the Appointed Date for the merger fixed as 1 April 2011, the Audited Accounts for the year 2011-12 reflect the consolidated operations of the Company on post-merger basis. The Auditors have accordingly requested for a review of their remuneration for the year 2011-12 which was fixed at the 22nd July, 2011 AGM for the pre-merger Akzo Nobel India Limited.

The Board considered the above request and has recommended the resolution as proposed. None of the Directors have any concern or interest in this resolution.

Annexure 3

Member Speakers at the AGM

S.No.	Name	Folio No/ DPID/ Client ID
1	Mr Arabinda Basu	IN30044110745793
2	Mr B N Kundu	BNK024
3	Mr Radha Shyam Sharma	IN30021410180038
4	Mr S N Gattani	IN30290243772046
5	Mr Ravi Kumar Naredi	IN30198310275573
6	Mr N C Majumdar	IN30035120006066
7	Mr M K Gupta	MKG0044
8	Mr Kalyan Kumar Das	IN30036010346179
9	Mr Chaitanya Swarup Gilra	SSG004
10	Mr Amiya Nath Sen	ANS043
11	Mr SN Ghosh	121910300 267924
12	Mr Subhendu Rai Chaudhury	SR456