



AkzoNobel

“Akzo Nobel India Limited”

August 03, 2023

PRESENT:

Management:

Mr. Oscar Wezenbeek, Chairman
Mr. Rajiv Rajagopal, Managing Director
Mr. Krishna R, Wholetime Director and CFO
Mrs. Smriti Rekha Vijay, Independent Director and Chairperson of the Audit Committee and Corporate Social Responsibility Committee
Mr. Amit Jain, Independent Director, Chairman of Nomination and Remuneration Committee and the Risk Management Committee
Mr. Hemant Sahai, Independent Director and Chairperson of Stakeholders Relationship Committee

Auditors:

Representatives from
M/s PriceWaterhouse Chartered Accountants, LLP, Statutory Auditors
M/s A K Labh & Company, Secretarial Auditors
M/s Chandra Wadhwa & Company, Cost Auditors

Moderator: Dear shareholders, good afternoon and a warm welcome you all to the 69th Annual General Meeting of Akzo Nobel India Limited through video conferencing or other audio-visual means. As a reminder for the smooth conduct of the meeting, the members will be in the mute mode. The audio and video will be open for speaker shareholders to speak at the AGM as per the pre-registration. Please note that as per the requirements, the proceedings of the Annual General Meeting will be recorded and available on the website of the company. I now request Mr. Oscar Wezenbeek, Chairman, Akzo Nobel India Limited, to kindly initiate the proceedings of 2023 AGM. Over to you, sir.

Oscar Wezenbeek: Distinguished shareholders, namaste. It is now 2.30 pm and I find that the quorum is present, so I call this meeting to order. On behalf of the entire board, it is indeed my pleasure in welcoming you to the 69th Annual General Meeting of your company, Akzo Nobel India Ltd. Let me start the proceedings by introducing my fellow board members who join me today in this AGM through video conferencing and other audiovisual means.

Let me begin by introducing the board members. To my extreme left is Mrs. Smriti Rekha Vijay, Independent Director and Chairperson of the Audit Committee and Corporate Social Responsibility Committee. Next to her is Mr. Amit Jain, Independent Director, Chairman of Nomination and Remuneration Committee and the Risk Management Committee. To my immediate left is Mr. Rajiv Rajagopal, your company's Managing Director. Sitting immediately to my right is Mr. Krishna R, your company's Whole Time Director and CFO. And next to Krishna is Mr. Hemant Sahai, independent director and chairperson of Stakeholders Relationship Committee. I also acknowledge the presence of the representatives of Statutory Auditors, M/s PriceWaterhouse Chartered Accountants, LLP, the Secretarial Auditors, M/s A K Labh & Company, and Cost Auditors M/s Chandra Wadhwa & Company in this meeting.

Please note, all statutory registers are available during the AGM for inspection at the NSDL website. Before starting the formal business, I would like to share a few opening remarks. Dear shareholders, namaste and good afternoon. It is truly my honour to welcome you to the 69th Annual General Meeting of your company. The year gone by has shown that the world's transformation into a global village continues to accelerate.

The impact of uncertainties and developments elsewhere are impacting businesses across the world faster than ever before. If you look at the big picture of 2023, global economic growth is expected to further taper down to 2.8%. In this dynamic backdrop, only those companies that are resilient, agile, strategic, innovative and sustainable in their ways of working will grow today and also be relevant in tomorrow's marketplace. At Akzo Nobel, we pride ourselves on supplying sustainable and innovative paints and coatings that our customers, communities and the environment are increasingly relying on.

Our world-class portfolio of brands, including Dulux, International, Sikkens, and Interpon, is trusted by customers around the globe. From a global perspective, Mr. Gregoire Poux Guillaume

took charge as our new CEO in November 2022 and launched four strategic priorities for 2023. These include, first of all, margin management, secondly, operating expense, thirdly, working capital management, and fourth, integrated supply chain.

Together, these steer Akzo Nobel's ambitions to balance growth and profitability worldwide. Talking of India specifically, I firmly believe that this is India's age of coming in a new global order. The Indian economy is emerging as a global engine of growth. With a projected GDP growth of over 7% for the current financial year 2023-2024, India is the world's fastest growing major economy.

In the medium term, tailwinds such as, first, favorable demographic dividend, secondly, a strong domestic consumption, thirdly, a government and private investment in infrastructure and manufacturing, fourth, increasing digitalization, and fifth, a rapid urbanization are expected to continue to drive the Indian economy and inter alia the prospects of the paint and coatings industry. The industry is estimated to grow from INR62,000 crores today to INR100,000 crores within the next five years. So where does your company fit in the larger picture?

Our commitment to innovation, industry-leading sustainability focus, cross-continental experience in 150 plus countries worldwide, over two centuries of expertise in paint and coatings industry, and most importantly, our proud people who are in sync with the pulse of the market put Akzo Nobel in a unique position. As a leading global player and a well-known international brand in India, your company's ambition is clear, to grow faster than industry while growing profitability too.

In this presentation shortly, your company's managing director will share more details on our strategy that brings alive our India ambitions. Esteemed shareholders, your company's annual report for the financial year 2022 and 2023 has already been circulated. For the year ending March 31st, 2023, we delivered a record performance across multiple financial metrics. First of all, our revenue from operations, which stood at INR 38,021 million, was a new high. With an accelerated 21% top line growth, we cemented our position as a top two incremental share gainers in the Indian paint and coatings industry for the second year in a row.

Secondly, our EBIT surpassed INR 4,000 million mark for the first time and was a significant 24% increase over last year. Thirdly, calibrated pricing actions, better mix and enhanced operating efficiencies translated into a record EBIT of 11.6%. And fourth, at INR 3,351 million, our profit of after tax before exceptional items too was the highest ever. While growing faster, we continue to deliver double digit profitability for the fourth straight year. Our operating cash too was strongest ever.

Overall, we are a stronger Akzo Nobel today. At the same time, we remain steadfast to contribute meaningfully to a sustainable future. Three key 2030 sustainability ambitions drive our India business. These are first of all, reducing our carbon emissions by 50%, secondly, utilising 100% renewable energy, and thirdly, moving towards zero waste. We continue to act on these ambitions. For example, nearly 75% of the energy requirements at a Bangalore site are met by renewable energy.

Likewise, nearly 60% of raw materials purchased during the full year of 2023 were sustainably sourced. Innovation also has a key role to play here. We continue to offer our customers solutions that enable them to reduce their own emissions and material use. Currently, nearly 30% of our revenue is coming from sustainable solutions. Our societal initiatives in three focus areas of economic development through skill building, education and community health care continue to benefit local communities.

In the full year of 2022-2023, the Akzo Nobel Paint Academy provided sustainable lived livelihood opportunities to 3,800 underprivileged youth. And secondly, our education initiative benefited more than 6,700 children. Thirdly, 25,000 daily consultations were provided to painter families and communities around our sites. And fourth, your company also contributed to the NITI Aayog's Aspirational Districts Program.

Our committed efforts to drive a more diverse, inclusive, and empowered future for local communities continue to be recognized with prestigious corporate social responsibility awards by the CII ITC Centre of Excellence, Institute of Company Secretaries of India, and the leading industry body FICCI. While growing profitably and sustainably, doing business with integrity continues to be our core driver.

My heartfelt gratitude to the dynamic, diverse and experienced board members of your company who augment our robust corporate governance framework. I'm happy to announce that at today's meeting, the Board of Directors has recommended reappointment of Mr. Rajiv Rajagopal as Managing Director of the company for a further period of five years, with effect from November 1st, 2023, subject to your approval, which will be sought through postal ballot.

With full year 2022-23 behind us and full year 2023-24, a year of opportunities ahead, I take this opportunity on behalf of all the board members to thank you, our valued shareholders, for your continued support, loyalty and above all, for your trust in Akzo Nobel India. Reciprocating this faith in you, the Board has recommended a final dividend of INR40 per share, over and above the interim dividend of INR25 per share, taking the total dividend for the year to INR65 per share.

This takes our company's total shareholder return to over 20% year on year. Looking ahead, the market will be more competitive. Notwithstanding the many variables, be it entry of new competition, evolving consumer needs, new marketplaces, brand spans and shifts in the industry, we are cautious yet optimistic. This optimism stems from my confidence in our solid foundation and robust strategic initiatives across both paints and coatings.

The future looks promising indeed, as we are geared up to unleash new excitement in the market and further build on our growth momentum in India. Dhanywad and thank you once again. Now before we move on to the formal business of the day, as outlined in the notice of this meeting, I would like to invite our Managing Director, Mr. Rajiv Rajagopal to share with you some highlights about the business of the company.

Rajiv Rajagopal:

Thank you Chairman sir. Good afternoon to all the shareholders. Chairman sir and to all members of the board, I would like to thank all of you and all the shareholders for the trust and

faith reposted me. I'd like to thank all of you for the reappointment subject to shareholders approval. And all I can promise is to continue to work diligently and make sure that I am able to take the company to the next level.

We will now start with the presentation that I have over the next 20 odd minutes. And I'll run you through my thoughts and give you some idea of what Akzo Nobel and Akzo Nobel in India is sort of geared to do. I shall quickly walk you through a little bit about us, the business environment, business updates and the financial performance.

I would also like to talk a little about ESG, which is a key focus area

So, first about us, just wanted to remind everybody, Akzo Nobel is a EURO 10.8 billion revenue company in 2022. We are the third largest global player in paints and coatings. We've had a 7.3% return on sales in 2022. We are available or selling across 150 countries and we've got more than 35,000 employees.

On Akzo Nobel India, I'm proud to showcase to you the Gwalior factory, we call it Narmada. We have got about 1500 employees, we have five manufacturing sites, in Mohali, Gwalior, Thane, Hyderabad and in Bangalore, where we manufacture paints and coatings. A lot of work is happening on capacity augmentation and expansion plans are in place. We are scaling up distribution through both our online and offline channels, and I shall walk you through this.

A 50% increase is what we've seen in our network and our abilities to now start moving towards 5,000 plus towns, which is quite a shift that we've had with our Distribution 2.0 strategy. We cover more than 20,000 paint retailers, and we've got around 4,000 B2B customers. We've got a world class color center for Automotive Paints, which is a global color center. I'm really proud of that team. And a low-cost innovation center is operating at Thane site where we are driving for differentiated products and techniques.

In terms of business environment, I think our Chairman has already mentioned to you. If one looks at the GDP growth in different economies, , one can clearly see that India is an outlier in terms of growth; while one may argue whether it is 6 or 7, the fact is it is still one of the fastest growing economies and I think hence it is fantastic to be in this point of time in India and also play in a sector which is really going to see good growth over the next few years.

One of the things which is really benefiting and for those of you who have seen our quarterly results which we have just announced, we are seeing some benefit of the crude price, the crude has been softening; in the course of the last few weeks we have seen a little bit of upward movement of the crude price, but nevertheless, they are significantly lower compared to a similar period last year. Fortunately for us the rupee is now very stable which augurs well for us, because both the crude price and the rupee are the two variables which impact the overall buying index.

We are seeing a good rebound in the core sector growth and one of the things that we are seeing is the fact that the interest rates have got slightly elevated and this is felt by most of us who are buying homes and taking home loans. Nevertheless, despite that, I still believe that India is still in the cusp of the next few years seeing good growth subject to the environment remaining stable.

A quick update on the business, I talked to you last year about this, but I just thought I will reaffirm. Our strategy is pivoted around six metrics or variables. First is around brand building. Our focus is really on how do we really improve the core, which is the core of our brands, both on premium and premium interior, premium exterior.

We are seeing a significant premiumization in the industry and not just in paints but in general. And we want to partake in it and make sure that we've got differentiated solutions with expanded offerings and advertising, which is really going to win the heart and minds. We've just got the recent brand scores, which reflect a sharp upward movement on the brand scores.

On distribution, we are seeing that through our Distribution 2.0. As all of you know, we are slightly differentiated in the industry. We have added since for the last five to six years, about 160 odd distributors covering the retail business. And we've now started what we call the Distribution 2.0 last year, where we are now engaging with what we call the micro distributors, a hub and spoke model, as we want to expand from 5,000 to 7,500 towns.

The third pivot is around digitization, where we are looking at a digital first approach for consumers. So what are we doing? We've got a painter app, and we are able to do things like customer life cycle management, and sharply target our painters and offer differentiated propositions. And also we've got the global CRM tool, where we are able to look at the entire inventory, the orders, order book for the next six months, which will help us to sharpen our focus in a laser manner with customers.

We've also started IoT insights, which is helping us in our manufacturing productivity. The other initiative that we are doing is around value creation. And we have driven a lot of initiatives to drive, sustain double digit profitability, something that I've been promising you since I assumed the role.

On people front, we believe that people are the heart of what we perform and imbibing a people-centric culture, becoming more diverse, inclusive, driving diversity and empowering the teams is something that we enjoy doing. Innovation- is, this is something that I'm proud of saying, how can I bring the magic of science to the magic of paints?

And as all of you know, we stated last year when we were the first to start working with startups in a measured manner; we are now working with them in trying to see how we can bring the best of digital to the paint and coating business.

In terms of strengthening our product propositions and consumer connect, we've come with a new campaign called Ghar Ka Champion, where we had Ashutosh, Rana and Ishan Kattar, which was available on what we call the HSM (Hindi speaking markets). And we've got targeted campaigns for states like Tamil Nadu, Kerala and Karnataka. And you can see we roped in Anju Bobby George in Kerala and she's had a tremendous impact where we are seeing a huge rebound in the state.

We've also launched our DIY, do it yourself. And we will play to you the commercial at the end of this presentation. It's called Joy's DIY. And we also started a new campaign on AquaTech, which is a heartwarming campaign called Parole and Painter Love Story, which brings you the

essence of what Dulux AquaTech can do. And we will be presenting to you what more we are trying to do to scale up in this category.

So we've worked quite hard on our premium interior, Velvet Touch, our flagship and your favorite brand has started bouncing back to capture its old glory and is doing well after the campaign last year. We've launched PU Satin, PU Enamel very recently. We've relaunched DULUX PowerFlex. We will be coming in with more propositions on AquaTech. Promise Smart Choice continues to be a driver of growth. And also we started bringing our DIY products and offerings into the market last year.

In our coatings business, I must compliment the teams for some fantastic performances. What we've done is to focus on high performance coatings for car worldwide. As all of you know, we've got a tie up with McLaren Racing as their exclusive Official Partner: Coatings Solutions.

In our **powder coatings**, we continue to offer the most sustainable options for protecting surfaces, both metal and all and we have brought in a lot of innovations on our Interpon. We will also be commissioning a new capacity by end of the year early next year in our Gwalior factory.

Marine and protective, we've seen a huge rebound in this industry and this business has started doing very well. Our protection and aesthetics both in and out of water is something that we've done and as I mentioned in one of the earlier investor calls, we are proud to be associated with the INS Vikrant and with prestigious projects like Central Vista and also other landmark sites that are coming to us.

In our **industrial coatings**, we have started getting traction back. So, we see still some headwinds in our coil coating business, but I am certain that in our packaging coating business, we will start seeing growth very soon.

In terms of **financial performance**, as you have seen in the annual report, it has been the highest ever revenue last year at INR3,802 crores and the highest ever EBITDA at INR525 crores and the highest ever net profitability at INR335 crores. I really would like to compliment my team for the fantastic work that they've done last year.

What has led to this good performance? We've seen sustained market share gains post COVID, , we continued doing the right thing and perhaps the industry grew faster, but after that, as I promised you, we've started growing equal or faster than the industry. Our gross margins have been ahead of the industry. So despite the prices of crude, etc going up, we've been able to maintain our profitable growth trajectory. And as we have always promised you as a team, we are here to win and win profitably.

So we have delivered double digit profitability and that journey is continuing. , in terms of asset utilization, we are driving asset utilization and OWC improvement with strong liquidity improvement. The OWC to revenue percentage has improved to 7%, cash from operations is at INR628 crores and, I am proud to present to you, the return on capital employed percentage is now at 36%.

So again, I think kudos to all the teams for sweating the assets, making sure that we are able to get value out of every rupee of what is put into the business and driving higher productivity and driving value creation to deliver this agenda. As we do this, we continue to believe in rewarding our shareholders. You can see the EPS has gone up to INR 73.6 last year versus INR63.7, which was already a highest. And our dividend payout has also been consistently growing. And as you can see, we've declared a dividend of INR 65 in the last fiscal, (INR 40 per share as the normal dividend and INR 25 per share as special dividend).

An area that I am really proud of working along with my team is on ESG. As all of you know this is going to be a very key metric for companies like us and we want to be at the forefront of it as we try and drive good business results towards great business results.

We are focused on making sure there is zero waste to landfill, zero liquid discharge. We are looking at 34% renewable energy and 30% of contribution from sustainable solutions. On social responsibility, the Chairman has already covered it, but again, few things that I wish to talk about.

We started trying to provide employment to women, something that we as a team felt during COVID. And we started driving this in states like Assam, Bengal, Tamil Nadu, and in Haryana, and we are going to bring it to more states and drive this further. We have brought education access to 6,700 children and we have got a zero tolerance policy towards harassment and zero fatalities and high consequence injuries and we continue our work in terms of telemedicine.

In terms of governance, we have a 100% independent audit committee, with 50% of board comprising of independent directors. And we are guided by our core principles of safety, sustainability, integrity, and these values are ingrained in me and my team.

I'm proud to share with all of you details of some of the awards we got during the year.. We got recognized as the most trusted brand in 2023. And that's also born through our brand score improvement. We won the CIIC Sustainability Award. We've been winning the great place to work. As a company, we got registered for the first time and we also have now come in the top 100 in manufacturing. We also won the top 50 supply chain awards by the Elgin Global Value Advisors. So all compliments to the team for the fantastic work and I am certain that we will do take this to the next level.

So to conclude, as our Chairman mentioned, I am proud of the fact that India was one of the first markets that our Global CEO Mr Greg Poux-Guillaume visited and you can see him here at our Thane factory with the chairman, head of manufacturing, myself and colleagues.

What are our **strategic priorities** as we move ahead? We are going to hold on to our pricing gain to try and expand margins. While doing that, we are going to make sure that we are focused on delivering sustained top line growth with focus, laser focus on market share gains.

We are going to adjust cost-based models to market reality in certain places that we need to. We're going to drive working capital hard. We're going to make sure that we do it in a digital manner. And we've already started a lot of work in the integrated supply chain. And we are going to bring out over the next few quarters, some innovations to reduce working capital and make

sure that we are able to respond more effectively to our consumers and customers as we move forward.

Lastly to conclude, as we are going to strike a balance between now as we move forward between growth and profitability. For a company of our size and the market share that we have, our focus is really going to be driving top line growth, but doing it by holding our profitability and making sure we continue to invest in our brand, distribution and technology.

We continue to focus on giving significant returns to our shareholders and we will continue to engage with all of you. We continue to have regular investor engagements and I want to thank once again all of you for your incredible support in the last year. Thank you.

Oscar Wezenbeek:

Thank you, Rajiv. Many thanks to you and the team, very exciting. Let us now move on to the formal items of business to be conducted at this meeting, as set out in the notice dated the 23rd of May, 2023, when we convened the 69th Annual General Meeting. The notice of the AGM, together with the financial statements and the report of the Board of Directors, was sent to the members by email and public. Notices were published in the newspapers.

Therefore, with your permission, we are taking the notice as read. And as per the present protocol of passing resolutions at the general shareholders meetings, the concept of proposing and seconding the resolutions is no longer relevant. Similarly, approval by show of hands is also not recognized.

As you are aware, under the Companies Act 2013, shareholder approval of the resolutions proposed at the meeting needs to be obtained through electronic voting mechanism, which is called remote e-voting. The company has tied up with National Securities Depository Limited, NSDL, to provide this facility and I'm sure most of the members of the company would have availed this facility during the period of July 31st to the 2nd of August of this year. Members who have not cast their vote through the remote voting platform will be able to cast their vote today, for each resolution using e-voting platform of NSDL for a period of 30 minutes from the end of this meeting.

Now let us begin with the question-and-answer session. Members would like to note that considering participation of members through video conferencing and other audiovisual means, two options were given to the members to ask questions and express their views during the AGM. First, members who pre-registered themselves as speakers at the designated email address of the company, and secondly, members posting messages using the chat box available on the screen of all participating members.

I would like to remind the member speakers of our usual ground rules in this regard, which are meant to ensure that all pre-registered members get an opportunity to speak and express their views in about two minutes to three minutes. For the sake of good order, the operator will be calling out the names of each pre-registered speaker, along with the folio number and whose audio video shall be unmuted. I would request the speakers to please restrict their message to the pre-registered questions and not to raise any extraneous issues.

As per usual practice, I will be taking the questions from all the members and provide answers at the end. So please, Inba, could you unmute the audio / video of the pre-registered speaker shareholders sequentially?

Moderator:

Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. I now invite our first speaker member, Mr. Amit Kumar Banerjee, folio number IN30032710068402 to please accept the prompt on your screen, unmute your audio and video, and ask your question. Ladies and gentlemen, we request you to please remain connected while we unmute the connection for Mr. Amit Kumar Banerjee.

Amit Kumar Banerjee:

Yes. Good afternoon to everyone. Respected Chairman of the meeting, Board members present, myself, Amit Kumar Banerjee from city of Kolkata. Thank you for getting me connected and opportunity to speak such a wonderful occasion Akzo Nobel India Limited video conferencing meeting. It is our 69th annual meeting of the company.

As regards the performance is concerned, it is quite good as presented on the review and visible in the balance sheet. Very nice. Good growth. Financial presentation to new increased profit excellent. EPS also has gone up, yes definitely up to INR73.58 in comparison with the last year about 63.608. Dividend also there 40%. I mean, INR40 per share.

Sir, I would like to know about some, I have a feeling to say something that, sir,

- is there any plan to enter into any new industrial, specifically in ware industries, as like paints, wares are also used in paint industries.
- Any plans to enter into adhesive industries like Fevicol and others.

What is your views on green paints, Eco-friendly paints using green energy, please share your views.

- Finally, what is the key challenges now at present for sustainable growth in future?

I appreciate the effort given by the entire team members of Akzo Nobel India Limited. I thank our Managing Director Mr. Rajiv Rajagopal, whole-time Director and CFO, respected Mr Krishna Rallapalli, yes our company's Secretary Madam, Ms Harshi Rastogi and her Secretarial Team, including Mr. Thomas and also at Kolkata Mr. Sanjay Mallick for presenting excellent services and contributions.

I hope our management will maintain the growth and prosperity of the company, will expand the business with prestigious brand, absorbable into future with new highs. I hope, our company will definitely come out with better prospects. I thank all the team members also for conducting such a wonderful video conferencing today. Myself, Amit Kumar Banerjee, over to you, sir, for further proceedings. Thank you, sir.

Oscar Wezenbeek:

Thank you, Mr. Amit Kumar.

Moderator:

Thank you.

- Oscar Wezenbbeck:** Inba, We will continue with the other questions and then we will answer them, isn't it?
- Moderator:** Thank you very much, sir. We now invite our speaker number two, Biswendra Narayan Kundu, folio number IN30026310101052. Request you to please accept the prompt on your screen, unmute your audio and video and ask your question.
- Biswendra N Kundu:** Respected Chairman, Mr. Oscar, members of the Board, fellow shareholders, and friends, I am B. N. Kundu. At the outset, I would like to thank the management for steady progress of the company year after year. According to soft copy, the report presented to us has been very nicely prepared with exhaustive details, and I have nothing further to say on it.
- The prospect of paints industry in India is very bright and the company is bullish about repeating the industry growth momentum during the current year also. In the financial year '22- '23, they achieved a remarkable performance and robust growth throughout the year. The company has also maintained the human face to the shareholder by paying a dividend of INR 65 per share.
- Moderator:** Sorry to interrupt, Mr. Kundu. I think you should mute your webcam to conserve your bandwidth. Mr. Kundu?
- Biswendra N Kundu:** Sir, big congratulations, entire management team. Sir, I'm also very happy to see that this company absolutely debt-free company. I pray to God that you maintain this fashion years together. Sir, if you see your performance, I am right. You have performed in all sector. Sir, your PAT is INR335 crores. Your earning per share increased INR73.58.
- The shareholders are very happy with the performance. The supporters are very happy with your performance. I have some specific question. What is your further expansion? If it is, then where? What is your order book position?
- Moderator:** Mr. Kundu, could you please adjust your mic and speak? It looks like we cannot hear you very clearly, sir. Mr. Kundu, if you can hear us, could you please adjust your mic and speak? We cannot hear you very clearly, sir. I am sorry, Mr. Kundu, we cannot continue with your question. We would request you to please reconnect, refresh your connection and rejoin. We will promote your turn again. Ladies and gentlemen, in the meanwhile, we will move to our next speaker member. The question is from Mr. Santosh Kumar Saraf. I request you to please accept the prompt on your screen, Mr. Saraf, unmute your audio and video and ask your question. Yes, sir.
- Santosh Kumar Saraf:** Respected chairman, Board member and my fellow shareholder and all employee and staff those are present in today meeting. My name is Santosh Kumar Saraf. I am speaking from Kolkata. Mr. Oscar, my English is very weak. So I will just continue with Hindi. First only I speak in English for you to say Namaskar and wish God for your good health and good time. Thank you. I speak in Hindi because my English is very weak. If I speak in Hindi, then I can speak from my heart.
- Respected Chairman, attending Board of Directors, employees and all my fellow shareholders. Right now, through the video conference, we are attending the AGM, myself Santosh Kumar Saraf, from Kolkata welcoming you all and wishing all of them are well and healthy. I thanks

the management and his team for giving us INR75 dividend, last time, we had received INR65. Due to efforts taken by team, we have received good dividend, sir.

Company is performing is quite well and it is debt free.. I want to know one, two things, if we have launched any new product, which is eco-friendly. Right now, it is a modern market, each person is known by new names, like Green paint, that paints, this paint, etcetera, while the paints are older one, only the name given is new. Have we changed any of the older name and given the newer name, please let us know.

Sir, you have lot of cash reserve, do we have any plan for expansion or acquisition in the future for any company, so that, we will be doing the acquisition also and our growth will also be there. Sir, we have enough reserves 13 times, can we think about bonus in the future, think about that.

One is that, your female employees are very less. Only 14% female employees are there in your company. So I would like to increase the number of female employees. Mr. Oscar, I request you to kindly increase the percentage of female employees because our Prime Minister wants world's third largest economy. So if women are not empowered, if women do not get their service in the country, then how we become the third largest country.

So I request you sir, to try to give more and more jobs to our women, because they are so intelligent. You know our finance minister is intelligent, our family is female and our President is also female. And our Minister of women and child development is Smriti Irani. So I request you to try to give more and more job to female employee because they are so sincere and though hard working.

Sir, there is so many cases of income tax related, sales tax related pending from 1998. So, I want to ask your legal team, how it is minimized by out of court settlement or otherwise. So, I request you to please ask them to minimize because when the case is shown in the balance sheet, that balance sheet is a not a like good balance sheet, so I request you to settle first. Third, next that your company is very good and this VC meeting is very nice, cost cutting, less expensive and also suitable for all shareholders.

If they live in India or they live in outside city, they live in Kolkata or outside Kolkata. Everyone has the option to join the meeting and ask and express their willingness to our hard workers, who are working in the factories, because they also want, if you work hard, that somebody can be congratulated as for their work. So, I express my gratitude to them that their hard work will be very useful and I request them to work hard.

The company will reward you. Similarly, the foreign agencies are also rewarding us. We have received many awards in the form of dividends. I would like to take your leave now. I would like to thank Mr. Rajiv for his kind words. He is a very good person and we do it well.

I would not take much time and Mr. Chairman, I wish you and your family, and all our Directors, all our employees and all our shareholders, those who are participating in the meeting, for a happy India 2023 and also we pray to God, please they spend their this year with healthy, wealthy and prosperity. Thank you sir. Namaskar. Rajeev, sir, my English is weak, so please excuse me. Thank you, sir.

- Oscar Wezenbeek:** Thank you, Mr. Saraf. Really a pleasure. Thank you.
- Moderator:** Thank you. We now invite our next speaker member Mr. Manoj Kumar Gupta to please accept the prompt on your screen. Unmute your audio and video and ask your question.
- Manoj Kumar Gupta:** Good afternoon. Namaskar. Respected Chairman, Board of Directors, fellow shareholders, my name is Manoj Gupta. I am an equity shareholder of Akzo Nobel. I have joined this meeting from my residence, Kolkata. Sir, first of all, I feel proud to be a part of Akzo Nobel. Earlier Indian Explosive then ICI, now Akzo Nobel. Several names have changed and several companies have merged with this company then Akzo Nobel has stood on in 2023.
- And sir, my thanks to the MD for his nice presentation about his views and remarks. I have seen seven Chairmen and seven MDs in last 35 years. This is a, that means every five years, Chairman and MD has changed. But I thank the Board that you have given, I thank the Board that, you have given the extension to our MD, beloved MD for next five years.
- So keep in mind that, you will take the company on new heights and he will get entire support from the Akzo and entire support from the executive and employees, to take the company on new direction and I thank to the company secretary and his team for help us to join this meeting from VC
- Thanks for your dividend for INR65. But sir, what is the benefit of telling you anything? You are not listening to anything from the shareholders. Investors have not got return as per the Sensex. When the Sensex was 50,000, your share price was INR1,800. When the Sensex is near about 70,000 your share price is INR1800 and we are always asking you to increase the liquidity to a by splitting the shares either 2:1 or 5:1, but why are you not listening.
- Just see the Asian Paints, a 10 years back, we have asked the Asian Paints to split the share, they said, we will put forward your views in our next Board meeting. They have called the AGM in August. In December, they have split the share 10:1. So, such type of practice should be there that you should not consider the bonus. We know that, the Akzo will not give the bonus. From last 35 years, I am waiting for the bonus. But you have not considered it.
- So, I will not ask you not to issue the bonus but to consider the split of shares either 2:1, 5:1 or 10:1, then your liquidity will increase, market cap will increase. In a country with a population of 140 crores, just you see, where you stand. Be liberal, make liberal. Leave the conservative policy. That era has gone. That time has gone.
- The company has become Akzo Nobel today. So you think, forget about past, whatever has happened in past. Whenever we go to a distributor and ask for Akzo product, then he says no, you take Asian Paints. Asian Paints is more durable and long lasting. This is your image in the mind of shopkeepers. They do not suggest to buy a customer to buy the Akzo Duco/ Dulux. They suggest to buy the Asian paints product, or Berger.
- See Berger Another Calcutta based company, their market cap, their situation., just you see Berger and decide on how you will take the company on the right path. Whether you pay the INR100 dividend or INR200 does not matter.

You are a MNC and you can't do anything against provision of FEMA. But you should run the company smoothly and take the view of the small investors. In this country, we have seen several company has gone. Shalimar Paints, Johnson and Nicholson several has gone but you should stand there because you are the MNC. And you should spend some money on the R&D expenditure to innovate more products.

Like Asian Paints, just you give a raw house and tell them, you should furnish. Everything they will install in the house and you can just enter in your house by cutting the ribbon and inaugurate the house. So such type of system should be there. Investor is not getting only dividend and we are not getting a call of investor call to meet the MD and you are not coming physically to Calcutta, to meet us.

This time luckily, you came to India to conduct the AGM. So we are happy to see that you have come to India after three years. After COVID impact has gone. So you spare some time to visit the City of Joy, where you have started the journey. And I request you and MD to come to Calcutta to meet us. That we are ready to meet you.

I tell frankly, foreign has money but no brain. India has brain no money, but now due to our beloved Prime Minister visionary Prime Minister, we will become the fifth largest economy and within 2025, we will be the third largest economy of the world.

There are several disputed cases, several demands are due. What's your view on that regard? And Akzo Nobel should have its own showroom. Like a showroom under a Berger house. And make a plant visit to the shareholders, if possible. Whenever we come to Delhi and we approach the company secretary, if he can help us to visit the plant either Gwalior or Mohali.

And have you any plan to come in the eastern part with a few investments. Eastern India is growing and north eastern India is also growing. After become the NDA government in north east Assam, Meghalaya, Tripura, the states are growing. Assam is growing fastly. So think about that. And I totally agree with Mr. Santosh Saraf, about the women empowerment. Give a chance to women to come forward and induct one woman executive Director in the Board either Director of women resource or other. So give her a chance to be a part of the Board.

With these remarks, I believe that, you will consider our view and you are smiling and we want to see you always in a smiling face, so that the company will smile also in future also. Thank you.

Oscar Wezenbeek: Thank you very much. Mr. Gupta.

Moderator: Thank you very much. I now invite our speaker number five, Mr. Anindya Sunder Roy. Request you to please accept the prompt on your screen, unmute your audio and video and ask your question.

Anindya Sunder Roy: Very good afternoon, Chairman of the meeting, Mr. Oscar Wezenbeek, and our MD, Mr. Rajiv Rajagopal and our CFO, Mr. R. Krishna and other Board of Directors on dais and employees of the company and my fellow shareholders on the screen, off the screen. My name is A.S. Roy. I'm one of the very proud members of this company. And first of all, I thank, I extend my thanks

to all the employees of the company, with whom I have been able to hear at this AGM and I deliver my observation about the affairs of the company.

Sri Sanjay Malik at the Registrar's Office and Mr. V Thomas have been very very helpful to me and others also and of course, our company secretary. Sir, first of all, this year in particular, I observed your speech and both of you, Shri Rajagopalji and your speech, it came in a different way to me.

I found in your speech, some words like sticky wicket and strong batting pitch with favorable conditions, which are cricketing terms. Surprising that these are being used by someone like you who is from Holland, a land of footballs.

It is just like you are serving the whole people beyond the borders, as I observe. And in this way, I have no other way to say because all have been spoken by the earlier speakers. So far the EPS is good, we got very good return from this company, sir. . So very happy about that material return gain from the side.

Now what I'm going to ask you about the spiritual gain from this company because you're, whatever we have done so far all the jobs in in the ship industries or building structures and aircraft all, sir, I my request, we develop some part of some rooms here and they develop into a museum and took all our job done in a miniature forms like miniature sculpture like shapes and put there. So the onlookers and the future generation could know about this dedication of this industry. That is my request to you.

Just as the Tatas did several years back, why don't we set up, because we have been so much doing for the villages and all, why don't we select some part and set up a model town like Akzo Nobel model town. We do everything for them to be remembered in the future. And sir, I have no other words. I wish you from the bottom of my heart everybody, you, that you be safe in the future and we are with you all and just my feelings with you heart-to-heart. Thank you, sir. Thank you very much.

Oscar Wezenbeek: Thank you, Mr. Roy. And I can tell you, I have been, with the help of my fellow Directors, been getting increasingly included in the world of cricket. So, apart from Holland, I now start to learn the intricacies of spin bowlers, fast bowlers, and what have you got. So, I'm getting to become an expert there as well. So, diversity in progress there. Thank you. Thank you very much for your question, and we'll come back to you.

Moderator: Thank you. We now invite our speaker number 6, Mr. Alok Kumar Pal. Request you to please accept the prompt on your screen, unmute your audio and video, and ask your question. Mr. Alok Kumar Pal could you please unmute your connection.

Alok Kumar Pal: Yes, hear me.

Moderator: Yes sir please go ahead.

Alok Kumar Pal: Okay. Good morning everybody. Myself AK. Pal, at the outset I convey my heartfelt gratitude to Secretarial Department, special thanks goes to Mr. Thomas and Mr. Sanjay Mallick. I am

profoundly touched by their courtesy, sincerity and hospitality. Investor service of Secretarial Department is truly remarkable and praiseworthy. In this connection, I also congratulate the Board of directors for styling performance of the company. I hope company will scale new heights under your able leadership.

Sir, I have a few questions, general and specific. Which year company last reevaluate fixed assets? Sir, page 103 in Auditor Reports, I found some remarks by Auditor to property not held in company name. In Thane property you lost original title deed. Sir, are you apply for duplicate deed? What is the current status of Thane property and also Mysore property your lease deed is not renewed till the Auditor Report was signed?

Sir, this is still pending or this lease deed is renewed and page 105 I found there are so many disputed cases, I draw your attention particular sales tax dispute case which is pending for 1982-83 that means over 40 years. I like to know what is the total expense incurred in this particular case over the last 40 years?

Now sir, I like to know has the company regularly performed customer, dealer, supplier and investor satisfaction survey? Does the Company have any supplier code of conduct policy, has the company carried out any assessment of employee satisfaction to evaluate how effective your procedures, rules and compliance are functioning, is the company conducting any campus drives to acquire talent? How many freshers have you added in the current year? Please give the data of your market share in following category. Decorative paint, automobile paint, specialty coating, powder coating, industrial coating, extrusion coating, protective coating and marine paint.

Now sir, are the company's CSR projects certified by social accountability standard SA 8000? What is the capacity utilization of each plant? What is the average training hour per employee? As part of improvement of the management system and other organizational process, are you audited periodically by internal or as well as external agencies for compliance and improvement as per IATF 16949 and ISO 14001 system and ISO 45001 guidelines. Has the company participated in any customer audit to reinforce your commitment to compliance and value creation. What is your growth plan and capex plan?

Now, sir, does the company have any branch auditor and internal auditor? Please name the top three customers. Have company done energy audit for reduce power and fuel cost? Are your energy system ISO 51000 complied? I like to know companies IT and cyber security system ISO 27000 complied or not? How many new customer you added current year? Are you implemented Six Sigma project for zero defect work culture?

Have you done customer satisfaction survey? If done what is the score? Have you done shareholder satisfaction survey? If done what is your score? Does the Company have any Auditor who help to enhance and protect organizational value by providing risk-based objective assurance, advice and insights. Has the Company appointed any risk officer who leads the risk management function? Okay, I thank you for patient hearing.

Oscar Wezenbeek: Thank you very much Mr. Pal for list of very detailed questions, we will look into it. Shall we have the next question.

Moderator: Thank you. We now request our next speaker member, Mrs. Lily Pradhan to please speak.

Lily Pradhan: Am I audible? Am I audible?

Moderator: Yes ma'am.

Lily Pradhan: Okay, very good afternoon. Respected Chairperson and all viewers. Myself, Lily Pradhan from Kolkata. I am very happy to know that the company's performance is developing a lot, which is sustainable growth in nowadays after COVID-19 pandemic situation. But I have put some specific questions and requests in present situation. What is the aim and object of future development in all over country and all over world like as national level and globally? What is the CSR activities on challenged persons?

Please provide a micro analysis of CSR activities. Must be submitted micro-analytic Audit of cash flow management, bifurcated analysis top line and bottom line growth. Please must be plant visit by shareholders must be considered. Please must be continue VC in future. Shareholders are well-wishers like parents of the company. Shareholder can lit up the future path of the company and make the future journey easier Thank you, thank you so much, all the best, nothing more.

Oscar Wezenbeek: Thank you, Mrs. Lily Pradhan.

Moderator: Thank you. Our next speaker member, Mr. Mahesh Kumar Bubna had registered, however, has not connected. We will therefore move to our speaker number 9, Ashit Kumar Pathak. Request you to please accept the prompt on your screen, unmute your audio and video and ask your question Mr. Pathak. Ladies and gentlemen, we will wait for a moment while Mr. Pathak unmutes his connection.

Ashit Kumar Pathak: Am I audible?

Moderator: Yes sir, you are audible and visible. You may go ahead sir.

Ashit Kumar Pathak: Good afternoon respected Chairman. Namaskar, Board of Directors, Company Secretary, fellow members joining at 69th AGM of Akzo Nobel India Limited. My name is Ashit Kumar Pathak joining from Dum Dum, Kolkata. At first, my esteemed gratitude to our Company Secretary, Mrs. Harshi Rastogi and also Mr. J. Thomas, also Kolkata office, Mr. Sanjay Mallick for nicely sending me the hard copy of the Annual Report very well in advance.

Sir, I have also noted the all valuable points from your opening remarks and the Managing Director's presentation. At first, I am congratulating my company, which is well ahead of benchmark of S&P BSE 500. It is congratulations to my company's management team, and also excellent financial performance. Cash from operation INR6,285 million, return on equity achieved 25% against 23% and net worth achieved INR30,156 million and also member rewarded with INR65 per equity share as a bonus.

Sir, I have some viewpoints which I like to share. Why we reduced some expenditure in research and development from INR 130 million to INR 101 million. So, please throw some highlights about this. Also, any plan for future acquisitions and joint venture and also a leading decorative paint company ongoing higher capex and manufacturing of vinyl acetate-ethylene emulsion for cost optimization which is key constituent in manufacturing environment and which is very environmental and friendly. So, any our plan, throw some highlights and any plan for joint venture with nanotechnology company, which is primary area of surface coating and care.

And any plan for joint venture in industrial coating, please throw some highlights. And just throw some highlights, the actionable total percentage of revenue in India and any capex plan for next three years, where you primarily mentioned India is fastest growing economy. And any capacity expansion plan also respected, MD also mentioned Gwalior plant for capacity expansion and any capex for water-based solvent because very, very cost effective and very market in demand. Also our net profit margin reduced to 8.8% from 9.92%.

Sir, about the bonus, my previous speaker also mentioned, but my view is that you also reward the shareholders with bonus NCD, as done by a few companies in India for rewarding the members. Also with good promoter holding I think actual paint company may concentrate in our business area as India.

And sir according to the regulations, decarbonization strategies how my company management team gear to lowering the carbon footprints and capex for ESG framework. And sir delaying in monsoon in very massively heated in this financial year, have any impact our business, if possible show some highlights. And all our pipelines are recognized as a smart factory with industry for AI, ML, IoT, Cloud and cyber security and cost optimization and waste management. Thank my company's team for the awards and accolades mentioned. Nothing to say more, expect everybody good health in my company. Thanking you, sir.

Oscar Wezenbeek: Thank you, Mr. Pathak.

Moderator: Thank you. We will now invite our next speaker member Mr. Atanu Saha, request you to please unmute your audio and speak.

Atanu Saha: Am I audible?

Moderator: Yes sir. We can hear you sir, please go ahead.

Atanu Saha: Good evening sir. I Atanu Saha, a shareholder of Akzo Nobel India Limited and thanks to all members and all stakeholders of Akzo Nobel of our 150 countries of around the globe. First, I, with respect, our Sir Oscar Wezenbeek, my respected Chairman, Board of Directors, all Independent Directors and our Company Secretary, CFO, Chief Financial Officer sir, and all respective shareholders present in this virtual meeting.

First, I thank for providing me an opportunity to speak. Today it's 3rd August, 2023, Thursday, our company organizing its 69th Annual General meeting. Sir, our previous shareholders rise number of queries. Our company, sir, my question, our company is almost debt free. Sir, as a

multinational company, so with different segment products, our company's sales growth of 6.93%, near about 7% over the past 5 years, whether 13% the growth on previous quarter.

... Sir, when do we expect a bonus what cost of percentage we deploying for our research and development wing on year basis.

So thanks to our company, that they are providing a free education to all needy students and also extension study for aged group, which achieving its popularity now. Think about extension studies. Thanks to our company that they are providing a great place to work, zero fatalities and zero high-consequence injury. Please arrange a plant visit, sir. Sir, I already casted my vote. Sir, our Secretary, V Thomas, and Calcutta office, Sanjayji, helping us to time-to-time and solve our different queries. I wish a good year ahead with good results mainly good health to every employees and everybody. I, Atanu Saha, I now hand over to our moderator. Thanks. It's have a good day. It's a AkzoNobel which always welcoming to our world of color. Thank you.

Oscar Wezenbeek: Thank you, Mr. Saha.

Moderator: Thank you. We now invite our next speaker member, Mr. Jaydip Bakshi. Request you to please accept the prompt on your screen, Mr. Bakshi. You may then unmute your audio and video and ask your question. Yes, could you unmute your mike as well. Thank you.

Jaydip Bakshi: Good afternoon, Chairman, MD and Board of Directors. My name is Jaydip Bakshi, connecting from the city of Kolkata. Thanks to our Company Secretary and also to Mr. Thomas for giving an opportunity to express my view and also to Mr. Sanjay Mallick of our Kolkata office for maintaining cordial relations with the shareholders.

Sir, the initial presentations were really worth listening to. It was a good presentation about our company affairs and also our future prospects. And also the Annual Report presented also is a nice one with all details. Sir, our financial performance highlights has been well maintained in pages 12 and pages 13 and year gone by also highlights on page 14. Congrats for the dividend which has passed on to INR65 including the interim and the final one to the shareholders. And once again, congratulations for the zero fatalities which is a great achievement, which are maintained in there and maintaining this good safety standard in our daily business. It's a remarkable achievement.

And what are our plans for R&D spending in the coming years for customer age and better customer friendly products. Sir what is the percentage input in material sourcing from MSME because they are the backbone and helping out to them will be a great job. Sir, are we monitoring the quality source from them and human capital kindly stress on the women employment and with our footprint expansion about 20,000 retailers, are we thinking of any adding on and any scope of feedback facility from our customers regarding the product which we are supplying?

In our renewable energy, what is the percentage of energy saved? Can we have some any data like that? And congrats once again for the awards and to all involved in this for having this achievement. Third is the Dulux Gloss Enamel for metals and the Weathershield for outdoor work ways. What is the market response? And highlight on our paint academy. It's a good that

we are building up the skill workers also. And on our range of DIY paint and home repair performance, with nuclear families coming up in many cities, what is our response in this sector?

And so in automotive sector, any new tie up with any new manufacturers, and the government is pushing up for this infrastructure development and housing complex, except the many projects are coming up. So, how do we place ourselves in this? And sir, nothing to add more. I hope, sir, our company comes out with much better results and reward the shareholders handsomely in the coming years and wish the company all the best in the coming years. Thank you, sir, and all stay safe.

Oscar Wezenbeek: Thank you very much, Mr. Bakshi.

Moderator: Thank you, we now invite our speaker number 12, Tapash Kumar Banerjee. Request you to please unmute your audio and ask your question.

Manoj Banerjee: Very good afternoon sir, respected Chairman, present Board members and my fellow online shareholders. I am Manoj Banerjee, joint holder attending the VC AGM from Kolkata. I convey my sincere thanks to our Secretariat Department for sending hard copy of Annual Report and registered myself as a speaker shareholder. And also thanks to Mr. Thomas and Mr. Sanjay Mallick for Kolkata office. Sir, in all respect, financial year 2022-2023 was a remarkable year. Our company reported best ever financial performance and demonstrated significant progress. Congratulations to the management team for that.

I also congratulate the board for declaring healthy dividend payout, INR25 interim and plus proposed final dividend of INR40 in total INR65 per share. Sir, I already supported all the resolutions by remote e-Voting. I have some queries, sir. Number one, if you could give us a sense on the waterproofing or in construction chemicals business, and how do you see the growth in this category?

Next question, sir, with some of the amount of decline in crude and crude related input cost, how are you looking at short of the pricing scenario for the financial year 2024? Next question sir, about economy and value segment and water proofing, all this put together is how much as a percentage of sales.

And one final question, sir, with the new competitors coming in, all incumbents are focusing on the premium end of decorative paints, which has been a sweet spot for AkzoNobel, being over-indexed with Dulux. Are you seeing any changes in competitive intensity or in the margin structure of this segment? Before I conclude, as we move towards new horizons, I draw strength from team AkzoNobel and from their dedication to take our company to even greater glory in the coming years. Thank you for patience hearing and have a good day sir.

Oscar Wezenbeek: Thank you, Mr. Banerjee.

Moderator: Thank you. We will now invite our next speaker member, Mr. Dilip Kumar Das. Mr. Das, I request you to please accept the prompt on your screen, unmute your audio and video and ask your question. Yes, Mr. Das you can unmutes your audio and your webcam and ask your question, please. Ladies and gentlemen we will wait for a moment while Mr. Das unmutes his

connected. Mr. Das, we can see your connection. If you can unmute your mike and ask your question.

Dilip Kumar Das: Hello.

Moderator: Yes sir. Thank you. We can see you and hear you sir. Please ask your question.

Dilip Kumar Das: Good afternoon Chairman, also other officials, Directors and fellow shareholders who are connected with the 69th AGM of Akzo Nobel today. Sir, I am Dilip Kumar Das shareholder joining from Kolkata. Sir, I have received your Annual Report notice in time. Thanks to your entire team. Sir, in page 12 and page 13 financial performance of highlight, graphing, we see all the sectors in higher side and dividend is 65, is very good sir.

Sir, in CSR activity educational section, sir last year are INR15 million sir, but this year it is only INR 13 million sir. What is the reasons behind it? Please explain sir. Sir, to sell on higher side, sir arrange discount coupon for all the shareholders and other stakeholder/ partners who are related with Akzo Nobel, similar to the practice followed by companies like Titan, Bata, Specialty Restaurant, Birla Corporation etcetera, etc. Sir request that arrange factory visit to get together or get together with AkzoNobel family members and shareholders on the occasion of birthday of Akzo Nobel. Sir, I wish every success of the company in years to come. Sir, I am signing off. Thank you.

Oscar Wezenbeek: Thank you Mr. Das.

Moderator: Thank you. We now invite our next speaker member, Sudipta Chakraborty. I request you to please unmute yourself and ask your question, sir. Mr. Chakraborty.

Sudipta Chakraborty: Good afternoon, sir. I am Sudipta Chakraborty, a small shareholder of Akzo Nobel India Limited. Joining VC from Kolkata. Sir, I believe my company is in strong hands and it will perform better and better in future. And I have casted my vote in favor of you. Nothing more to say, best of luck. Thank you, sir.

Moderator: Thank you. We'll take our next question from Mr. Biswendra Narayan Kundu. We have been able to reconnect him. Sir, we have unmuted your audio. Could you please ask your question? Mr. Kundu, could you please unmute your microphone from your device and ask your question, sir? Mr. Kundu?

Biswendra Kundu: Yes.

Moderator: You may ask your question, sir.

Biswendra Kundu: Okay. Respected Chairman, Mr. Oscar, members of the Board, fellow shareholders and friends, I am B. N. Kundu. Let me continue from where I left:

. Big congratulations, entire management team. I'm also very happy to see that this company has truly debt free company. I pray to God. Sir, if you see your performance highlight, you have a perfect in all sectors. Sir, your PAT is INR335 crores. Your earnings per share increased 73.58. We, the shareholders, are very happy to see your performance.

Sir, what is your roadmap next 5 years,? Sir, regarding unclaim shares, What action you have taken? Please send the final reminder to the shareholders. And last, I should mention one person name that is our beloved friend, Mr. Amit Jain. He started his career as a management trainee at ICI India. Sir, I appreciate your contribution in this company. Under your leadership, this company comes into a front line. With this remark I am closing here with thanks to all.

Moderator: Thank you very much. That was the last question. Over to you Chairman sir for further proceedings of the meeting. Sir, you will have to unmute your mike sir, we are unable to hear you.

Oscar Wezenbeek: Now I am on. Yes fantastic.

Moderator: Please go ahead. Thank you.

Oscar Wezenbeek: First of all, thank you very much. It's really to see fantastic engagement of our shareholders. I really appreciate that a lot. So, I will now request that together with Mr. Rajiv Rajagopal, our Managing Director, and Mr. Krishna, our CFO and Whole-Time Director, we will answer the questions to the best of our knowledge. Given the time, we might not be able to answer all of them in detail, but after this meeting, for sure, we'll make sure that everybody gets the answers that they were looking for.

But just to highlight, I think starting from the top, we had a couple of questions regarding new segments, new areas that we might want to enter. I think also that was a question that was first raised by Mr. Banerjee, but also with other shareholders. Rajiv, maybe you would like to comment on that.

Rajiv Rajagopal: Yeah, so thank you very much for the question. Look, we are in the business of paints and coatings, and we believe that we have a long way to go in making sure that we are able to grow our existing offerings and look at offerings in the adjacencies where we can drive market share gain. With specific regard to new segments in industrial, we are open and we are exploring certain stuff. But obviously for purposes of confidentiality, we don't really discuss this in great detail.

On adhesives, it's an adjacency that we've evaluated. We believe that at this point of time, it could perhaps be a distraction to our existing business and hence, we've not looked at it, but at an appropriate time if we feel that it is an attractive segment, we will re-evaluate it. There was a question next, Chairman sir.

Oscar Wezenbeek: Yes please go on.

Rajiv Rajagopal: On eco-friendly paints and I am referring to the questions from Mr. Amit Kumar Banerjee sir. On products, stewardship is our commitment to ensuring product safety and considering sustainability aspects throughout the entire value chain from raw material extraction to R&D to manufacturing, transport, marketing and application. Our 30% approximately of our revenue comes in through such products from sustainable solutions and we are working to try and grow it.

We did launch a product called Dulux Better Living and we for various reasons, perhaps a little ahead of time, but we are really looking at saying, how can we really bring in certain eco value, eco-friendly propositions across our paints and coatings business. It's not just in paints, but also, for example, in segments like powder, where our teams have done exemplary work in bringing such offerings to the market. In terms of challenges in sustainable growth, I think we've got to just look at that we do expect that there would be short term disruption from new entrants. And we have embarked on working on a strategy where we'll make sure, given a high market share in the premium business, the premium segment in paints where we've got approximately about 16, 17% market share.

We do believe that it's our right to win and that's an area of focus where we'll continuously invest and make sure because to sort of get out there, it's not going to be easy and we will continuously work on innovation, consumer centric strategies, leveraging our distribution strengths. And I believe that your company is well positioned to capitalize on the existing and new growth opportunities and to overcome some of the challenges.

Yeah, I'll now proceed with Mr. Santosh Kumar Saraf questions. In terms of eco-friendly products, I answered some of it, but Mr. Saraf, as you know, Dulux Weather Shield Sun Reflect technology, which was launched many years ago. We reduce the surface temperature up to five degrees, is an example how we've looked at products that can really enable betterment of society. We've also got in our coatings business Intersleek 1100SR, which improves shipping vessel performance while being biocide free.

Our Interpon D technology is another one which helps architectural longevity and products like Better Living, as I mentioned, brings in antibacterial properties. In terms of expansion plans and acquisitions, your company currently is focused on creating long-term growth organically. We believe that we have to work on strategic areas like margin management, adjusting operating expenses to the new market reality, reducing working capital and increasing cash flow and improving supply chain through technology.

M&A opportunities are very difficult to predict and the heart, we need to make sure that, from a system and from a capability perspective, we are geared. We are looking and scouting at opportunities, but we need to find the right target and it needs to be making sure it's a long-term winning proposition for us. Oscar, would you like to take the question on bonus shares?

Oscar Wezenbeek:

Yeah, I think that came up from some of the shareholders to the question about can we split the shares or should we have bonus shares? I think Mr. Saraf and Mr. Gupta raised it but some others as well. At the moment, we have no plans at this stage to do so. The reason why we would do bonus shares or split shares would be very much in the context of wanting to attract more shareholders. We are very honored and very happy with the commitment that we have with our current shareholders and also the promoter of the company has a long-term vested interest in India.

So with that respect, we are well positioned with the current position that we have and coupled with the strong business performance that we've seen, we believe we have and the growth plans

we have the capital to realize those. So, there's no plan to further split the stocks or issue bonus shares. I think there was a question also from Mr. Saraf about diversity.

Rajiv Rajagopal:

Yeah, on diversity, look we are, so we moved from 5% to 8.5%. Is it enough? The answer is no. I think we continuously looking at getting it right talent in terms of diversity. And we acknowledge that that's an area that we are continuously focusing on. It's externally benchmark and your company actually goes beyond just the organization. We also look at our extended communities. We've taken many policies, which helps really focuses on disadvantaged groups and sections of society to bridge the inequality. We have a clear policy on diversity and inclusion, which guides our initiatives, which is on the company website and in the Annual Report, and we stay committed to it.

I go now to Manoj Kumar Gupta's question on growth strategy, which I articulated. I would like you to look at it contextually, you will start seeing that we've done a huge catch up with a lot of initiatives and while holding and continuously growing our premium segments, making sure that we are able to play in the mass and the economy segments where we have brought in lot of innovations. There are some areas where we were doing a catch up, but nevertheless, I think our R&D teams are working continuously on looking at differentiated products. And our attempt is to really play in segments where we see long-term sustainable growth. And we have embarked on a strategy to do it.

In terms of spends on R&D, I think there's more spend on R&D. We draw our strengths from our global, as all of you know, we've got a fantastic global repertoire of products and innovations, and which helps in bringing differentiated propositions, cost reduction, and we are completely sort of working on it. Currently our spends could be anywhere between 2.5% to 3.5% of the revenue. And we are continuously making sure that we get the right talent. We get top talent from some of the top premium institutes into R&D center.

And as I mentioned, in our low-cost innovation center in Thane, we drive differentiated products and we're looking at some more. And our world-class center in Bangalore, in terms of color, it brings in great propositions on color for the automotive customers world over. In terms of Distributor agenda, all I would suffice to say is that's been a lot of hard work. Our distributors are able to offer products to customers in the smaller towns with a phenomenal turnaround time of less than 4 to 6 hours, which was impossible some years ago.

We continue to work on a Distribution 2.0 in as we start entering into more towns. So I would invite you to look at how we've got to craft our own path in order to make sure that we get sustainable growth and that we drive distribution very well while retaining the core is something that we embarked on and it seems to be working well.

Oscar Wezenbeek:

I think we also had a question on the returns versus the sensex if I take those two questions, I would say that starting with diversity, that's a policy that we clearly subscribe so it's I'm really happy to receive that question. And if I look at our Board, we're very fortunate of course with having eminent people as part of our boards and it needs it brings a tremendous insights and value to our board. And that's definitely an agenda that we promote very strongly. In terms of the returns versus the Sensex, maybe you would like to comment on that.

R Krishna: Yeah, as far as the returns versus Sensex, if I see the last two years, we outperformed the Sensex 500 index, of which we a component.

Oscar Wezenbeek: Are you on mute? Are you audible?

Moderator: Sir, could you please hold the mike a little closer to you and speak sir?

R Krishan: Okay. As far as the returns versus the Sensex, it's a very relevant question as we cross the 10 years since the merger with the different legal entities in AkzoNobel. The incremental value of that is the capital appreciation on the share price, dividends, out of the minority shareholders. Since the merger is around INR2,500 crores, including a dividend payout of INR660 crores. More recently, 2022-23, our share companies, shareholder return is around 18% versus, and which is well ahead of the benchmark of S&P and the BSE 500. Thank you, back to you.

Oscar Wezenbeek: Yeah, thank you very much. If I look at some of the other questions that we have received going through the list, we got a question from Mr. Pal, Rajiv, about the Mysore property deed that was not executed. Is that something you would like to comment on?

Rajiv Rajagopal: On the Mysore property deed, we've received the final possession of the land acquired, and we are in discussions with Karnataka State Industrial Development Board (KIADB) to finalise the documentation. There was a legal case while has now been cleared. This is where we are and we will keep you posted during our quarterly calls if there is any further update.

Oscar Wezenbeek: Also, a question about the supply code of conduct that we received from Mr. Pal. Indeed, we are committed that the business is done in the company in a fair and ethical way. And indeed, the business partners are an integral part of that ecosystem. So there's a document, a code of conduct for business partners that emphasizes their commitments also to the same core values of safety, integrity, and sustainability.

And as part of all the agreements and purchase orders entered into by the company with the business partners, it includes the confirmation that they are in compliance with all the laws and regulations applicable to the business, they conduct the AkzoNobel, and the code of conduct. So, that's an integral part of how we do business in that respect.

We've also got questions on, very detailed questions on market share position that we have by segment and the like. In that respect, I would say, we clearly, as you've seen from our Annual Report, we have a very extensive reporting that we do on the business environment. I would say definitely well in advance of what the law stipulates. And I'm very happy to see that we see a very strong market share growth. And of course, there are always differences in a very diverse country like India between states and cities and segments exactly where and when.

So that's it. I would say quite a complex question to answer, but overall, I think the company has and also in his plans for the new future, a clear ambition to continue to grow above industry levels. Looking at some of the other questions, I think about the, we've got the questions about the competitive landscape there. How we feel about that? How is that an impediment for our growth plans?

Rajiv Rajagopal: Well, I've said this in the last couple of years. If you look at the last decade, we've had many companies coming in, creating a lot of competitive pressures, but I think we've charted our own course and we've not just held the number 4 in terms of position, but we've also in the last 2 years started becoming the second fastest growing company. And that's something that the team and I are proud of and we would like to maintain.

Yes, there is a new competitor who's coming.

We are working on strategies on it. We believe that given some of the right premium positions, etc, we've got a right to win in those places, given our brand strength, etc. And so we are going to work on adequate strategies to make sure that we ringfence our people ringfence our market position, and not just ringfence, but also play aggressively, not just to defend. I personally believe that we have got to take the fight to competitors and get pretty aggressive in terms of our offerings and our approach to the market while trying to gain market share.

Oscar Wezenbeek: Yeah, exactly. Also, we got a suggestion for many of the shareholders for plant visits, Rajiv.

Rajiv Rajagopal: That's noted and we will have Mr. Krishna and at an appropriate time and the Company Secretary and team to come back to you.

Oscar Wezenbeek: Yeah. I think it's a wonderful suggestion. I think further to have our shareholders further engaged like we intensify further engagement with all the stakeholders for AkzoNobel. In that respect, I think of other plans that we have received, Krishna, about capex, any comments from your side there?

R Krishna: Yeah. There are a couple of questions relating to the capex and the capacity utilization. And right now, on a two-shift basis we are utilizing the capacity at around 55% and we do have a debottlenecking process which is in place on a continuous basis. The expansion project as we have announced the expansion of water manufacturing capability in Gwalior, which is under progress, the total outlay of the capex is around INR110 crores.

Oscar Wezenbeek: Yeah, good. We have tried to pick the questions that seem to be most relevant and most repeated by you. Rest assured that the question that we have not answered, we will get back to you with a response. Anyway, I was very happy to hear many of you also complimenting our Corporate Secretariat, and not just Mrs. Harshi Rastogi, who indeed has done a wonderful job, but the entire team, Thomas and everybody else, receiving a lot of compliments the last couple of weeks.. So, any questions, please, I would like to encourage you to continue to approach us.

Let me now take up the agenda items sequentially as proposed in the notice. So, that will be first of all related to the adoption of the audited financial statements, both the standalone and consolidated statements for the year ended 31st of March 2023 and the reports of the Directors and Auditors thereon as an ordinary resolution. I'm very happy to inform you that the Auditor's Report on the financial statements of the company for the year ended 31st of March 2023, did not have any qualifications or adverse observations.

And in view of the same, with your permission, we will take it as read. Item 2 relates to the confirmation of interim dividends at INR40 already paid and declaration of final dividend for

the year ended 31st of March 2023 at INR25 per equity share as an ordinary resolution. Item 3 relates to the reappointment of Mr. Krishna R. as our Director as an ordinary resolution. And items 4 and item 5 come under special business.

Item 4 relates to the appointment of Mr. Hemant Sahai as an Independent Director for a second term of three consecutive years as a special resolution. And item 5 relates to the ratification of remuneration to Mrs. Chandra Wadhwa & Co. Cost Auditors for the year 2023 and 2024 as an ordinary resolution.

I now request those members who have not cast their votes through the remote e-Voting facility so far can exercise their vote for each resolution through the electronic voting platform provided by NSDL, the icon of which is available on the top of your screen. The voting facility will be open for casting votes by shareholders at the conclusion of this meeting. Mr. A. K. Labh Proprietor of M/s A. K. Labh & Company, Practicing Company Secretary, will scrutinize the votes cast through a remote e-Voting and the votes cast during the AGM on e-Voting platform as provided by NSDL.

The results of the voting will be compiled by Mr. A. K. Labh, Practicing Company Secretary, and he shall submit the report no later than 5pm on August 4th, 2023. The voting results, along with the Scrutinizer Report, shall be uploaded on the website of the company and the NSDL and shall also be available at the registered offices of the company. The results will also be filed with the stock exchanges as required under the regulations.

I once again thank all of you for attending the virtual AGM of your company and giving us your support and valuable suggestions. Though there are limitations, e-meeting did allow us to have a wider participation from all over the country and even abroad, which would have not been possible with a physical meeting. I do hope you all stay healthy, stay safe, and over to you Inba for the conclusion of this meeting.

Moderator:

Thank you very much, sir. Dear members, as instructed by the Scrutinizers, request all the members participating in the AGM and who have not yet casted their vote to cast their vote in the remaining period of 30 minutes. Thank you.