



“AkzoNobel India Limited 68th Annual General Meeting”

August 05, 2022



**MANAGEMENT: MR. OSCAR WEZENBEEK, CHAIRMAN
MR. RAJIV RAJAGOPAL, MANAGING DIRECTOR
MR. R KRISHNA, WHOLETIME DIRECTOR AND CFO
MS. SMRITI REKHA VIJAY – INDEPENDENT DIRECTOR
AND CHAIRPERSON OF AUDIT COMMITTEE &
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
MR. AMIT JAIN, INDEPENDENT DIRECTOR AND
CHAIRMAN OF NOMINATION AND REMUNERATION
COMMITTEE AND RISK MANAGEMENT COMMITTEE
MR. HEMANT SAHAI, INDEPENDENT DIRECTOR AND
CHAIRPERSON OF STAKEHOLDERS RELATIONSHIP
COMMITTEE
MS. HARSHI RASTOGI, COMPANY SECRETARY AND
COMPLIANCE OFFICER**

Moderator: Good afternoon and a warm welcome to you all to the 68th Annual General Meeting of AkzoNobel 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. An audio and video will be opened 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 the 2022 AGM. Over to you, sir.

Oscar Wezenbeek: Distinguished Shareholders, It is now 2:30 pm. 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 68th Annual General Meeting of your Company – Akzo Nobel India Limited.

Let me start the proceedings by introducing my fellow board members who join me today in this AGM through Video Conferencing and Other Audio-Visual Means.

Let me begin by introducing the board members.

To my extreme left is Ms Smriti Rekha Vijay - Independent Director and Chairperson of Audit Committee & Corporate Social Responsibility Committee.

Next to her is Mr Amit Jain, Independent Director, Chairman of Nomination and Remuneration Committee and Risk Management Committee.

To my immediate left is Mr Rajiv Rajgopal - your company's Managing Director.

Sitting immediately to my right is Mr R Krishna – your Company's Wholtime Director and CFO. Krishna joined the Board on 1 December 2021 and I welcome him to this meeting.

Next to Krishna is Mr Hemant Sahai - Independent Director and Chairperson of Stakeholders Relationship Committee.

Also joining us is Ms Harshi Rastogi - Company Secretary and Compliance Officer of your Company.

I also acknowledge the participation of the statutory auditors, M/s Price Waterhouse 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 NSDL website.

Before starting the formal business, I would like to share a few opening remarks.

Dear Shareholders... Namaste!

It's my great pleasure in welcoming you to the 68th Annual General Meeting of your Company.

The past two years have shown us the meaning of "Vasudev Kutumbakam" that the world is one family. In today's connected world, continued disruptions, uncertainties and volatilities are not only weighing on the global growth outlook, but also changing the context of our business environment.

Most economies worldwide are seeing high inflation, while currency volatility continues.

Crude – one of the key raw materials for our industry, while hovering around the 100\$ mark now, is still unpredictable in its movement. Meanwhile, supply chain issues continue to be one of the most universal challenges given the significant global bottlenecks.

The World Bank estimates that after rebounding to an estimated 5.7% in 2021, the global growth is expected to decelerate markedly in 2022, to 2.9%.

It is in this backdrop that India stands tall as a bright spot in the global world order. With a projected GDP growth of 7.2% for the current financial year 2022-23, India is the world's fastest growing major economy. And this story of growth is expected to pick up further momentum, India is expected to become a \$5 trillion economy within the next five years.

In today's VUCA world – that's seeing Volatility, Uncertainty, Complexity and Ambiguity- I'm reminded of the truth of what Charles Darwin said over a century ago, "The world will not be inherited by the strongest, it will be inherited by those most able to change".

Sustainable growth is no longer a multiple of resilience, rather of accelerated adaptation and innovation.

At AkzoNobel, we've made it our business to deliver sustainable and innovative solutions that our customers, communities – and the planet – are increasingly relying on. Active in over 150 countries worldwide, AkzoNobel has been setting the standard in colour and protection for more than 200 years.

Fueling our intent to be the reference in our industry is our mid-term Grow & Deliver ambition - the next phase of our transformation.

Our recent acquisitions such as Grupo Orbis in Latin America and Titan Paints in Spain; and the agreement to acquire all the decorative paints and coatings activities of Kansai Paint in 12 countries of Africa, are proof-points of how we're investing to create leading global positions and driving growth in emerging markets.

India being one of the fastest growing economies worldwide, AkzoNobel has a sharp focus to grow in this key market within the South Asia Pacific region.

While the 15 by 20 journey strengthened Akzo Nobel India's foundation, the past two years under Grow and Deliver ambition have enabled us to build further on the long-term profitable growth journey for our people and our customers.

Here, I must give full credit to the wonderful team who have made us the second Fastest Growing Company in the Indian paints and coatings industry in the financial year 2021-22.

Esteemed shareholders, the Company's Annual Report for the financial year 2021-22 have already been circulated to you. I would like to share some key highlights of our powerful performance.

Our revenue from operations was highest ever at Rs. 31,486 million. With a 30% year on year growth, we've surpassed the Rs. 30,000 million-mark for the first time since our transformation into a focused paint and coatings organization in 2017.

We reported highest-ever Profit from Operations at Rs. 3,564 million with 34% YoY growth.

Led by strategic pricing initiatives, prudent opex management and value-engineering, we continued to deliver double digit profitability at 11.3% for the third straight year and matched our ever-highest EBIT% with the pre-COVID year of 2019-20.

While increased inventory levels have become an industry-wide phenomenon and led to rising Operating Working Capital requirements, our liquidity position continues to remain strong at Rs. 4,576 million.

In response to the changing consumer needs, your Company stayed on course its Grow and Deliver ambition. We've gained a competitive edge with our focused actions under five areas:

1. Strong margin management with calibrated pricing initiatives
2. Enhancing our Brand
3. Product Innovations
4. Expanding our distribution reach to new geographies with Distribution 2.0 strategy; and
5. Accelerating digital disruption

One of the biggest proof-points of our strategy execution was in implementing calibrated pricing initiatives to the tune of 21% during the year, ahead of competition. This demonstrates more

than ever before, the tremendous resilience of our people who went beyond to deliver robust performance quarter on quarter.

While maintaining cost discipline, our progressive marketing campaigns, such as the new Dulux Velvet Touch television ad campaign aired during the IPL, enhanced our brand connect with Indian consumers.

Pioneering technologies in the innovative products we're supplying today is differentiating AkzoNobel from the competition. In paints, revolutionary technologies such as next-gen Tru Colour technology in our flagship Dulux Velvet Touch, or the new PU technology in Dulux Weathershield Max were well received by consumers.

Similarly, we created new benchmarks with industry-first offerings like Dulux Simply Refresh range of DIY solutions, introduced bio-based paints that improve indoor air quality; and made exciting forays in new segments like woodcare and floor coatings.

In coatings business, customer-centric solutions for infrastructure, power, mining, automotive industries resulted in good order books. In powder coatings, new launches such as the Futura range for building facades and exciting offerings for the growing EV segment were introduced. During the year, we localized our protective topcoats for windmill blades and Interpon AM - our high-quality powder coating with anti-microbial technology. In industrial coatings, good growth was observed across our coil, extrusion and metal packaging coatings.

Acting as a tailwind to our ambitions is the steady progress we are making under Distribution 2.0 strategy. Our offline network has grown nearly 50% over the past few years. With our unique hub and spoke model, we have rapidly scaled up our reach to cover nearly 5,000 towns. Additionally, through partnerships with e-commerce giants and tie-ups with aggregators, we are now a click away from the e-consumers of today.

We realize that digital transformation and innovation is a key lever to growth. As digital revolution is fast changing the consumer landscape, we want to lead this shift from the front. This is where our Paint the Future India startup challenge comes in. I am confident that this will be a gamechanger in the Indian paints and coatings industry. By combining our expertise with the disruptive digital solutions of startups in India – which is the third largest startup ecosystem in the world – we aim to enhance the magic of Dulux paints and transform the way Indian consumers digitally experience our products and services in India.

Overall, our actions in tandem with our continued focus to maintain our lean cost structure, put us in good stead to drive our long-term profitable growth in India.

I also want to share that your Company is committed to taking actions to address globally relevant challenges and protect future generations. When it comes to sustainability, everything we do is focused on a few key areas: our products, our people, our own operations, our customers and suppliers, and the world around us.

Acting on our intent to become even more sustainable, we've identified three key sustainability ambitions – 50% carbon reduction, utilizing 100% renewable energy and moving towards zero waste by the year 2030.

I'm delighted to share that we have made significant progress on this front over the years.

Committed to our Planet, we continue to take steps to reduce our impact on the environment. All our sites have Zero liquid discharge, 50% of our raw materials are procured from Sustainable qualified sources, and nearly one-third of our energy requirements are fulfilled by renewable energy sources.

At the same time, it would be amiss to not give credit to your dynamic, diverse and experienced Board for their focus on excellence and their pivotal role in your Company's corporate governance. Further building on our overarching policies and good corporate governance, your Company took the responsible step to make voluntary disclosures on Business Responsibility and Sustainability in the current Annual Report. Also, ESG familiarization sessions were conducted for your Directors and across the organization by an external consultant during 2021-22 besides apprising Directors with the changes in regulations during the year.

In parallel, Your Company fully understands that its roles and responsibilities for People extend beyond employees and the value chain.

In the financial year 2021-22, our 'AkzoNobel Cares' societal program brought significant benefits to local communities via focused initiatives under the 4 pillars of:

1. Economic development through skill building;
2. Education;
3. Community healthcare; and
4. COVID-19 relief work.

In Skill building, the AkzoNobel Paint Academies are bringing Diversity and Inclusiveness in the painter community. AkzoNobel has trained over 300 local women, who are in turn manning the district's first 100% women owned and operated dealership and 25 stores, under a hub and spoke model, in the aspirational district of Darrang in Assam. Leveraging the power of education, our flagship project Parivartan has transformed the lives of more than 2,400 children. Our tele-medicine community healthcare projects are using latest technology like AI to detect diseases and providing free of cost diagnostic services to over 60,000 villagers across two states of India.

Your company's Corporate Social Responsibility initiatives were validated by two prestigious recognitions at the CII-ITC Sustainability Awards 2021; and the 2022 Communitas Awards.

Notwithstanding the challenging year, your Company has shifted gears to record new highs in the financial year 2021-22.

On behalf of all the Board Members, I would like to thank you, our shareholders for your continuing support, loyalty and above all ... for your trust in Akzo Nobel India.

As we celebrate 'Azadi ka Amrit Mahotsav', the Board has proposed a one-time final dividend of Rs. 35 per share. With this, our total dividend at Rs. 75 per share celebrates the historic year –the momentous 75th Anniversary of India's Independence.

We've entered the financial year 2022-23 riding on a strong momentum. Given the building blocks crafted, I am confident in realizing our Grow & Deliver ambition.

India is the global growth driver and at Akzo Nobel India, the future is exciting indeed. We will be expanding the manufacturing capacity of our powder coatings very shortly. On the paints side of the spectrum too, we are closely monitoring the market demand. Similarly, consumer-centric innovations in our world-class portfolio of brands will continue to create new excitements in the market.

AkzoNobel has been inventing the future for more than two centuries. And with your unstinted support, your Company is striving to become the reference in our industry.

Thank you once again!

Before we move on to the formal business of the day as outlined in the Notice of the meeting, I invite our Managing Director Mr Rajiv Rajgopal to share with you some highlights about the business of the Company.

Rajiv Rajgopal:

Good afternoon. Thank you Oscar and a very warm welcome once again to all our shareholders. I will take the next 20-25 minutes running you through a few slides to just give you an update on AkzoNobel, AkzoNobel India and give you an update on the performance of your company. So, this is the way we are going to sort of segment it. Let me quickly run through about AkzoNobel, just for the benefit of everyone we are a 9.6 billion Euro company in 2021, the third largest in Paints and Coatings Industry globally. We had a return on sales of 11.4% last year and we operate in 150 countries with approximately 32,800 employees. We are the recipient, a real proud moment for us of the Terra Carta Seal, the only Paints and Coatings Company to receive the honor. We are expanding our leadership positions in different markets like South and Central America through Grupo Orbis and through the Lankwitzer Lackfabrik's Aluminum wheel liquid coatings business in Germany and our Kansai Paint Africa Business, that our chairman alluded to a while ago. Just to take all of you through AkzoNobel in India, we are approximately about 1,460 employees. We have got 5 manufacturing sites. We are focused on capacity augmentation

and as our chairman mentioned, we have got a very strong expansion in place across our powder coatings, paints and our different businesses. As we start moving higher trajectories of organic growth, we have got 5 offices and we are headquartered in Delhi. We are planning a scale up of our distribution with numeric reach. We already covered over 5,000 towns. We touched approximately 20,000 retailers and we have got over 15,000 tinting machines as we speak. We cater to about 4,000 b2b customers across different segments. What I am fully proud of is the fact that we have got a world class color center for ASC in Bangalore and our Thane R&D team creates what is called the Low-Cost innovation center for driving differentiated products across the Asia markets. So, just to quickly run through the business environment, I know most of you are aware of this, but really if you look at I think India is really bouncing back. India as you know Oscar mentioned is one of the fastest growth countries. If you look at our core sectors index and growth you can clearly see that over a period of two years, we have now started moving to a significant double-digit growth. Our business confidence index has now almost touched 135, which really shows a sense of optimism, but you can see a slight tapering off in the last month or so and that is something that we need to be cautious of. Inflation is being hovering around 7% , something that I will allude to as we move forward. Our crude prices have touched to all-time high of about 112. Thankfully, that is easing now, it is coming closer to \$100 a barrel as we speak and the other one really that impacts our business is the volatility of the foreign exchange. So, if you look, the rupee has touched \$80 and now it has come back to about 79 this morning and that is something that I think we need to monitor. The other point is really the interest rate hike; I am given to understand the RBI has also raised again had an interest rate hike of about 0.25% today. So, this is something that we need to monitor because this is something that is going to impact one of the elements of the construction and though I am an optimist, I think the sectors will continue to do very well over the next 3 or 4 quarters. So, given this, what is our strategy for performance- very simply put in 4 elements, it is about continuing to leverage our global brands, focus on color expertise and bringing relevant offering to the India market so that we can create sustainable growth. The second is to create new business models, if you remember when we started our journey on distributor in 2012. 2013, 2014 onwards, today we have got about 165 distributors which cover approximately about 72% of our Paints business and now we have started going into smaller towns with hub and spoke. We are focused on driving digital and sustainable innovation. We believe that the digital is here to stay and that is something that we are really working on and while doing all this, I think the critical element is to grow profitability and to make sure that we offer attractive returns to all our stakeholders. What I am truly proud of the fact is that we have really progressed in the Grow and Deliver Ambition, if you really look at it and we have seen it in two distinct halves as all of you would remember in 2020-2021. In 2020 we were following the profitability journey of 15 by 20 and then we dramatically changed pace and started saying, now will start growing. You can see, what you see in the light blue is the listed players and what you see in the dark blue is AkzoNobel India Limited, you can clearly see the shift that the rate of the growth of the difference in the growth differential has completely narrowed. And remember, this includes the other businesses which are there for all the listed players which are outside this group of only Paints and Coating, so it is both core and noncore and that is something we are mindful of, but you can see that our performance has been there and we just announced the quarterly result for the last quarter and I

am sure you will agree, we had a record revenue growth which again reaffirms that we are very serious, we are here and we are here to win. I just also want to refer to our Global CEO, Thierry Vanlancker's quote in one of the analyst calls very recently when he was asked about India and he said that we have a strong number 4 position in India, we see a significant opportunity for growth and we are going for it right now. We are here really to focus; we have been focusing on our paints business on really coating paint and we have not really focused on the adjacencies like others have done. And the growth has been good but more importantly our profitability which is high in India and has actually been very much in line with the global policies that was given to us. And we want to make sure that we keep in the middle, growing significantly and growing in a healthy way so that there is actually a lot of investments. Now if you take and start looking at the color of growth, the two elements that I look at is how the gross margin is shaping up and how is the EBIT. As all of you would remember when I took over this role in 2018, one thing that I committed to most of you was that we will sustain a double-digit profitability and so this is an update. So, if you look at it, because of the escalation of the raw material prices, you see a dramatic drop in the industries gross margins. It has also impacted us, but you can see the relative drop has been lower for us and which is reflected in the EBIT margins where we have put a lot of actions as a team to make sure between 2020-2021 and 2021-2022, we actually improved our ROS percentage from 11 to 11.3. This has been done by taking significant pricing actions and what I am truly proud of is that despite being a challenger brand, we actually took leadership position of taking the pricing in the market which got sort of noticed by all of you and also by our media. We have taken 21% price increases till March and we have further taken another 3% price increase in the month of May followed with a 0.3% in July and another 0.3% in August. Raw material inflations continues to persist because of geopolitical tensions and we will continue to review it as we have been doing and take necessary actions as and when required. However, I want to reassure that our focus is on now moving our journey to make sure that we are the top 2 in terms of incremental growth on a sustain basis as we move forward through our innovation, and all our brand actions and our distributions. What are the things that we are also committed is to really sustain strong liquidity and shareholder value. And as you can see if you look at our return on capital employed, you can see the sharp increase. So, we were hovering around 16 to 18 over many years and you can see we have already started moving around to 23, that is an area of focus of making sure that we sweat our assets as we start getting closer. The next is really making sure that while doing this we monitor our cash flows between Krishna, myself, and Harshi and make sure that we are very carefully deploying both in capital and also utilizing the rest of it, both for productive working capital and for dividend. And as Oscar mentioned, to commemorate the 75th anniversary of India's Independence, we have actually made sure we have given a onetime dividend recently and hence total we have given at Rs. 75 dividend to all our shareholders, something that we are truly proud of. I also want to take this opportunity to thank each one of you, each one of our shareholders, for all the incredible support that you gave us during 2020 and 2021 COVID years, without which all this would not have been possible. I want to now take 2 minutes about talking about our new purpose both globally and in India, we are going to focus on people, planet and paint and what does that really mean? Now I will start in the reverse order, I start with paint first. So, really what are we focused on, how are we going to grow the business dramatically. It is really focusing on innovations,

disruptive technology, driving many industry firsts. So, you have seen and we will show you at the end of this presentation, some fantastic advertising that teams and agencies have created. Feels like home for Dulux Velvet Touch with Tru Color Technology has got tremendous response in the market. Oscar and I were visiting some of our markets recently and we have started getting some very good feedback and that is something that we continue to do. The second is to redefine the Premium Exterior with a PU Technology. We have already launched Weathershield Max in the market and there will be more action in the coming month. Digital campaign for a Dulux Aquatech is on with Parul and Painter advertising and that is something that we are going to build and also bring the benefits of Dulux Aquatech versus the other offerings in the market. We also have expanded and brought in a best-in-class Flowplus is something we will bring to you as we move ahead. What I am truly proud of is the fact that we have started driving digital very differentially. We have introduced our brand, simply refreshed DIY range, we have tested it for over 2-3 months in Delhi, Gurgaon and now we have started bringing it, we have a digital campaign which is going live and we have just started launching it in Kolkata and as I speak to you, our teams are working to now bring expand it to many other markets as we move forward. Another thing I am truly proud of is the fact that we got a go ahead for Paint The Future, as I mentioned in some of our Investors call, Paint the Future is really about converting the power of science into magic of paints and really we have started working with the Startup ecosystem because in this battle, as a challenger brand, you need the support of larger and brighter people, so that is what we are attempting to do here. We have got over 200 submissions; we have already selected the top 30 and we are in the process of looking at the top 4 to 5 winners which will be declared by the jury next month. And we will give you an update on this. On performance coating, really if you look at we have got some fantastic launches which are focused on customer centric B2B solutions. So, if you really look at our airports, one thing we are really proud of the fact that most of our coating are used to protect assets and build tremendous amount of aesthetics. We have also got some very sustainable solutions on powders. As I mentioned last time, in powder coatings we are a global leader with 30% market share and while in India we play in the large premium and the critical segments, one of the thing that we are doing is to take this offering and we are also now planning to expand our capacity in Gwalior and our teams are working to make sure that we are able to bring better solutions, faster to the consumer particularly to the underserved markets in North. We have launched a new generation of coatings for our food and beverages, you can see the 'Can' technology and that is something that again we are very proud of, but really something that will excite all of you is the fact that we have been exclusively approved for coating our super-premium luxury segment. So, McLaren, Mercedes and BMW and we are bringing some of this into this country as we move ahead. On planet we have got a clear goal, a goal is to try and make sure that we achieve our 2030 target globally, but really from an India business perspective, it is about we are focusing on energy, waste and water and that is something that we will continue to build as we move forward. Really, it is about things how can we leave a better footprints for the generations of the future, how can we reduce our carbon emission by 50% and how can we utilize 100% of our energy from renewable sources and how can we move to zero waste. I must really say larger teams in manufacturing in our factories are already doing an incredible job and this is something that we believe that we can achieve as we move forward. So, 3 things here specifically, we have

started really harvesting in solar energy, we are moving most of our factories into it. You can see our Bangalore factory, there is green belt in sites and another critical thing and I am truly proud of that the factories have brought us the entire solvent recovery to reduce waste, that is ongoing in our solvent plants in Hyderabad and Mohali. Without People, I think no presentation is complete because in a Paints and Coatings business, people actually drive the initiatives and some things that we have done is really about diversity and inclusions. I am truly proud today that we have really started moving towards the double-digit sort of enrollment of gender into a workforce. I am very proud that in the larger management team there is diversity and you can see the Company Secretary Harshi Rastogi is also there. We have started at least on all critical roles having the benefits of having nice strong performing ladies running these roles. Another thing I am fully proud of is the fact that we enroll to a great place to work and I was a bit surprised that in the first year we got selected as a great place to work. This is something that we really proud of as a team, we have got our own internal survey called the OHI, Organization Health Index run by McKinsey, where India is always featured at the top decile country but truly when the external world also where your employees anonymously sort of give a survey and do it, it really tells you that the energy is electrifying. We have also embarked on a lot of health and safety initiatives during COVID, to make sure that our people are safe and we continue to do with because as all of us know that COVID is still around and we need to sort of monitor things very carefully as we move ahead and we start travel and start working back to normal. Another thing I am truly proud of is the fact that you can see our Company Secretary Harshi Rastogi with the Dutch ambassador in India are really taking strides in engaging with the local state government. We have signed a MOU with the Kerala Government, we are also looking at other states where we can bring in a lot of practices to promote skill and education and also make sure that we are driving CSR in a meaningful manner. Another thing that we have done recently is the project called Operation Indra Dhanush, where in the North Eastern part of our country, actually trained more than 1,000 women to paint and what I am truly delighted is many of these ladies have now started opening paint shops and of course, I love Dulux runs in their blood and that is something that I am truly proud of our CSR team that they are able to bring in the entire CSR, the community service not just as an act of generosity, but also bringing livelihood for people which is very important in a country like us. ESG continues to be a focus area with 3 elements, environment I talked a bit of it, I think I just want to add that all our sites has zero liquid discharge, we are also covered by Lloyds assessment which is a very stringent assessment on environment. On social, we have got 1.5 million beneficiaries of Arogya Sakha a telemedicine initiative which Harshi and her team Partha are doing an incredible job. We have got no fatalities and no high consequence work issues on work related injury, ill health over the last 2 years. And on governance, you can truly be proud that we have got over policies, a good corporate governance, a 100% Board attendance, a separate independent Audit Committee and a 50% independent Board, so these are elements that truly we are trying to enact to make sure that we are best in class. Again, in ESG like growth, we are here to win. Some awards that have come with this and I am grateful to the team for the excellent work they do. The 2022 Communitas Award and also we won awards in manufacturing and supply chain and logistics in warehousing and my complements to the team because it is their incredible effort of the 1,480 odd people in this organization that I am here able to sit in front of you and present such results.

So, as a conclusion, what are we doing, how we are planning to get to grow and deliver, basically fixed initiatives, brand building, you are going to see some ad with the end of this which will tell you how we are planning to look at really this seriously and focusing on enhancing the brand value of Dulux and get customer focus solutions, distribution through our 2.0 ecommerce and hub and spoke, also digitization, we have got a Global CRM today and we are taking it down to the lowest level of the organization so that the transparency in the data of making sure that there is a rigor in the sales approach. We have started IoT in sites, which is going to enable us to make sure that we are able to bring in the best of technology and also automation into our plant, values creation to improve our profitability as we move forward in a sustained manner. People, through a people centric culture building a very diverse inclusive and empowering team and most importantly, innovation where I said how do I bring the power of science into the magic of paints and that is what really we are doing to enhance our customer experience.

Lastly, I think we are well positioned now to accelerate our Grow and Deliver. We are investing in a brand distribution and technology to bring in a plethora of groundbreaking innovations and disruptive solutions. We commit to offer significant return to our shareholders and we will always continue to regularly make sure that we engage with our investors in a periodic basis. With this, I would like to thank each one of you for your incredible support over the last years and wish all of you the very best. I would now request the team to just show you the two commercials before I hand it over back to Oscar. Thank you.

Oscar Wezenbeek:

Thank you Rajiv and it is really wonderful to see all the elements coming together. It is really quite an achievement. Thank you very much. Let us now move forward to the formal items of Business to be conducted at this meeting, as set out in the Notice dated 27 May 2022 convening the 68th 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.

As per the present protocol of passing resolutions at the shareholder meetings, the concept of 'proposing' and 'seconding' the resolutions is no longer relevant. Similarly, approval by show of hands is also no longer 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 am sure most of the members of the Company would have availed this facility during 2nd August to 4th August 2022.

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 at the end of this meeting.

Now, let us begin the question-and-answer session. Members would like to note that considering participation of members through Video Conferencing and Other Audio-Visual Means, two options were given to the members to ask questions/express their views during the AGM:

1. One, members who preregistered themselves as speakers at the designated email address of the company and;
2. Two, 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/express their views to do the so in 2-3 minutes max.

For the sake of good order, the operator will be calling out the names of each preregistered 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 preregistered questions and not raise any extra issues.

As per usual practice, I will be taking the questions from all the members and provide answers at the end. Inba, please 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. Biswendra Narayon Kundu. I request you to please proceed with your question.

Biswendra 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 profit of Paints industry in India is very bright and the company is bullish about repeating the Indian growth momentum during the current year also. The company has also maintained the human face to the shareholder by paying the dividend of Rs 75 per share, I think, this is the highest ever dividend in the company history. Sir, big congratulations to the entire management team. Sir I am also very happy to say that this company absolutely debt free company. Sir, if I see your performance highlight, you have performed in all sectors, sir your PAT is Rs. 290 crores, your earning per share increased to Rs. 63.68. We, the shareholder are very happy to see your performance. Chairman sir, I have 2 specific questions, what is your roadmap next 5 years? Is

there any chance for further expansion, if it is then where? What is your order book position? And last, I should mention one person name that is our beloved friend Mr. Amit Jain. He started his career as a management trainee, ICI India. Sir, I will never forget your contribution in this company, under your able leadership, the company comes into the frontline. Before I close, I want to offer my special thanks to Ms. Harshi Rastogi and Mr. Thomas for their cordiality and hospitality. I should mention one person's name that is Mr. Sanju at Kolkata office, he is very helpful for us. With this remarks, I am closing here and thanks to all sir.

Oscar Wezenbeek:

Thank you very much. Mr. Biswendra Kundu, it is good to see you again and indeed we are very proud and happy that Mr. Amit Jain is very much still giving his talent and experience to this company and I think you see the results today. I really also strongly appreciate your comments to Ms. Harshi Rastogi, to Thomas and the entire team indeed who have done a fantastic job and as you have seen a fantastic and a beautiful Annual Report and very solid preparation of all the proceedings and most of all an excellent governance of this company. I think it would be best that I probably request Mr. Rajiv Rajgopal, our Managing Director and also as we proceed Mr. Krishna our CFO, to address this specific questions that you correctly asked. But again Mr. Kundu, many thanks and it is wonderful to see you again. Mr. Rajiv Rajgopal, would you like to comment on the questions that Mr. Kundu raised?

Rajiv Rajgopal:

So, Mr. Kundu, we will come back with each of your questions right at the end and surely happy to share our thoughts.

Oscar Wezenbeek:

Inba let us go through all the questions and we will indeed answer all of them.

Moderator:

Sure sir, thank you. We will take our next question from Amit Kumar Banerjee, request you to please unmute your audio and video and proceed with your question. Can you unmute your microphone? There seems to be a technical challenge with Mr. Banerjee's connection, we will check his connection and re-join him to the queue. In the meanwhile, we move to our next participant, Mr Manoj Kumar Gupta, Mr. Gupta please proceed with your question.

Manoj Kumar Gupta:

Good afternoon respected chairman, board of directors, fellow shareholders. My name is Manoj Gupta, I am an equity shareholder of AkzoNobel India Limited. Mr. Chairman, first of all I thanks to you, MD and his entire team for the best and excellent result of the company for the year 2021-2022, and thanks to MD and his team for paying a high dividend this year of 750%, 400% interim and 350% final dividend. And he has mentioned in his speech that country is celebrating 75 years of Independence, so we are paying 750%. It shows how he likes the country. And I thanks to our Company Secretary and her team that they have done a god job and helped us to join this meeting through VC and thanks to Mr. Thomas and Mr. Sanju in Kolkata, who are always take care of the investors and I thank your Company Secretary, for her excellent work in CSR. She is the leader of your CSR work for the year 2021-22. I had met her and I asked her some questions about the CSR, she explained everything and I salute her because in MNC, I find first Company Secretary who looks after all the CSR work directly and involve her directly in the CSR work should be implemented in the right direction and specially in the Assam, Manipur on page 30 to 34 that entire report is there that how your CSR works has implemented, how the

government has got benefited and they become the paint partner of the company and how you have the prisoner to rescue their life and become a painter. So, it is a good source that MNC is showing interest to create the job in the country and thanks for your several awards for the CSR in 2021-2022. And sir, from last several years we are asking you to split the shares either 1:2, 1:5 or 1:10, to increase the liquidity and to increase the market cap. Think about that and a warm welcome to new CFO in the company for appointing him inhouse. After a long time CFO has appointed from inhouse and promoted from junior level to CFO. And stability should be there in the top KMP, stability should be there, if stability will be there that will reflect in the market and market will size in a proper manner or in the right direction and I totally agree with Mr. Kundu, about the contribution of Mr. Amit Jain, being a shareholder of last 32 years asking him that what he has done for the company and being a shareholder, we can't forget his contribution to bring AkzoNoble at this junction today, he served as Manager Trainee, then became the Director, then became the MD, then he moved to foreign and then he became the Chairman of the company. So, we warm welcome and we pray always to God for his healthy and prosperous safe long life. And what is your plan for Eastern region? Eastern region is growing and after becoming the NDA in power in Assam, Tripura and Meghalaya, the Eastern part is growing and moving fast, so what is your view in this regard? And how you face the challenge of inflation? Inflation has gone up by 20% to 30%. Every raw material price has gone up by 20% to 30%, so how you face this challenge and what will be the total cost of project cost of brown field? And how you will arrange that? And there is a several disputed cases on page 91, so what is your view in this regard and on page 128, expenses un-paid dividend, don't mention un-paid dividend, mention unclaimed because you have already paid, investor has not deposited their cheque in the bank. So, it should be unclaimed, unclaimed means investor has not encashed from the company, unpaid means you have not paid. So, it should be unclaimed dividend. And what is your view on single-use plastic ban with effect from 01st July. How you face this challenge of single-use plastic ban? Sir, your presence is very narrow in Chhattisgarh, MP, Odisha and Assam. Berger and the Asian Paints are the market leaders in Chhattisgarh, MP, Odisha and Assam, so how you face these markets, if these four states markets are growing very fast and on page 62, number of employees female is 133 compared to 1050 male, so you should focus on to increase the female employees, now the world is for females, our president is female, finance minister is female even that our Company Secretary is female, so try to focus to increase the number of female employees in the company and on the same page other than permanent 203 male employee and 10 female employees, so some ratio should be increased to increase the employment in the country either permanent or temporary and last but not least kindly consider some memento to speakers which is the done by other companies and I believe that the company will do better in future under your leadership and under MD and give this vast experience to help company to get more benefit for his vast experience and I believe that Board will consider our request for split for shares. Thank you.

Oscar Wezenbeek:

Thank you Mr. Gupta and indeed I really appreciate your words of compliments to Harshi Rastogi and her team, indeed fantastic work. We are indeed very pleased to have Mr. Krishna coming from the AkzoNobel breed joining us as a CFO now and again Amit, it is wonderful to see how well you are membered and rightly show, we still build on your shoulders of success as

we move forward. So, Mr. Gupta, we have taken a note of your questions and will address them once we have gone through all the questions, but wonderful to see you Mr. Gupta. Thank you so much. Inba can we ask for our next pre-registered?

Moderator: Thank you. Our next speaker member is Mrs. Chandravati Gattani. Please go ahead.

Chandravati Gattani: Good afternoon respected Chairman sir, and all the members present in the meeting. I am Chandravati Gattani, equity shareholder of the company Akzo Nobel India, a leading Paints and Coating Company and maker of Dulux Paint. Really, it feels very good on seeing company's performance this year, very excellent performance. Highest ever revenue, highest ever profit from operations, delivers double-digit profit, gets strong growth and the best part is that on the momentum of 75th anniversary of India's Independence, the Board expressed its gratitude to shareholders for the support and propose our final dividend of 35 per share, total dividend 75. Very good sir and it feels very good. And AkzoNobel is also awarded excellence in corporate social responsibility and great place to work, it feels very happy sir and I support all the resolutions and I thank you to our Secretarial team especially Thomas Sir, it feels very good on contacting and talking with him. If there is any problem he solves that very easily. It is a very good thing that our company is a debt-free company, and the company's business focus is continuous product development, align the business to maintain a strong market position and to enhance its client fulfillment. Our company business has a huge geographical reach, customer based and maintain a strong brand, these offer multiple opportunities for growth and company continue to be guided by a strong sense of core values, safety, integrity and sustainability. Ultimately, your goal must fulfill to take you at rightful place as a frontrunner. Thank you very much sir, it feels very good when anything good happens and also feels good on saying, hearing and to reading about it. Thank you very much sir, I support all the resolutions.

Oscar Wezenbeek: Thank you very much Mrs. Gattani. Thank you so much and we really want to thank you for your support and continued confidence and trust in the company. Really very much appreciated. We cannot do it without your support. Inba can I ask you for the next pre-registered speaker.

Moderator: Thank you. Our next speaker member Mr Anindya Sunder Roy had connected however, is dropped out for some reasons. We will check his connection and rejoin him. In the mean while we will move to our next speaker member Mr Alok Kumar Pal, request you to please unmute and proceed with your question.

Alok Kumar Pal: Myself A K Pal, at the outset I express my sincere gratitude to our Secretarial Department for their excellent and remarkable investor service. I profoundly touched by their courtesy generosity and sincerity. My heartfelt thanks to our Board of Directors for stunning performance and higher dividend. Now come to annual report, I have some specific and structured question. Number 1, how you maximize your product value? Number 2, how you enrich your product mix? Number 3, how you became low-cost producer in Paint Industry and reduce interest burden? Number 4, how you build agility leveraging digital technologies to enhance efficiency and general business transformation? Next, what is your mitigation strategy to counter cyber-attack? Next, what is your key initiative to increase cyber security? Next, how many digital

initiatives were implemented during 2021-22? What is the key focus area for continuous improvement of process to increase the quality of product? Have you done customer satisfaction survey, if done what is the satisfaction score? Now, I like to know some percentage index, what is the emission intensity rate, Health index of employee and worker, employee productivity rate per employee per year? Have you done safety audit and energy audit regularly? And also have you done shareholder satisfaction survey and what is the score? Thank you for patient hearing.

Oscar Wezenbeek:

Thank you Mr. Pal and wonderful to hear you again in this AGM, really appreciate the fact that again we can welcome you at this event and very good questions that you have us. We have taken a note. We will come back to your question Mr. Pal in shortly. In the meantime, Inba can I ask you to pass to the pre-registered speaker.

Moderator:

Thank you. We now invite our next speaker member Mr Santosh Kumar Saraf to ask question.

Santhosh Saraf:

Respected Chairman sir, I am speaking in Hindi so please excuse me, I know that you will not understand Hindi so well, so your Managing Director or Secretary can understand because if I speak in English, not my heart, but if I speak in Hindi it will come from my heart sir. Respected Chairman sir, present and my fellow shareholder who are present, I am Santosh Kumar Saraf from Kolkata greet you all. Hope all directors and all management present all are healthy and safe. Sir, in your presentation and MD sir, everything is clear, so no doubt is there. You have given special dividends in the year of 75th year of the Indian independence, we announce the special dividend, for this I congratulate you sir. Only you can think about the Indian Independence but so many foreign companies, they are not understanding the Indian freedom and value. I especially thank you as I get special dividend, I especially thank you chairman, for giving a special dividend on our 75 years Independence sir. Sir, company's performance is very good. Sir, I have nothing to say but, as a habit I will only ask 2 to 3 questions, what is the market share of our Paints sir? And what steps you have taken towards rainwater harvesting, sir? And what is the budget capacity sir? And what step you have taken for renewable sources like solar panel and all LEDs, can you tell me sir if it is possible? And sir, from the 1st July, single-use plastic is stopped by the Indian government in 19 items. So, most of our packaging is plastic, so what alternate steps you have taken to stop the use of single-use plastic sir. Sir, I also request to increase the female employee in our concern sir. As you know females are very good and now that Modi Sarkar appointed an Adivasi lady as president of India and our finance minister is also a lady, we never see a finance minister as the lady sir. I know in our home, ladies be very good finance minister if you give your salary in their hands and so sir I think in the support for females, females are very capable as you in the commonwealth games, Indian female athletes doing very well and they are standing our Indian name by wining Gold, Bronze, Silver etc., I am requesting the Chairman to increase the women employee and make up the gap which is very high sir. Last, I want to say all our employee and all will take the third dose of the COVID because 10 days before I suffered from COVID sir, but I have taken the 3 doses, I was ill only for 2 days, in 2 days I recovered, so I request all our employees and everyone to take the third dose which are available in the 75th years of the Indian freedom to take because if you take, I think you will also be safe as like me. Next sir, physical meeting is not required, video meeting is very good sir, but in the next time if we hold the video meeting I request a 10 to 15 minutes session for a hybrid

meeting. You can ask physical shareholders to speak first and then ask hybrid shareholder to speak? It is good for future and we are now going to modern sir, you have to make in modern sir. Sir, thank you sir and wish all our employee and all our director and all our MD, wealthy healthy, social. Sir, my English is weak, so please excuse me for this, I tried my best to speak in English. Thank you and sir also I want to give our secretarial team for their nice work, Mr. Thomas and Mr. Sanju doing very nice work sir. So, I hope, God will help them and their family and will progress very well. Jai Hind, Jai Jawan, namaskar sir.

Oscar Wezenbeek:

Thank you Mr. Saraf, and there is nothing wrong with your English, I wish my Hindi was as good as your English. So, thank you very much for your wonder comment and we have to questions as well. Than you sir, really appreciated. So, we have collected your questions, we will come back to them shortly. Inba, we have Mr. Pathak.

Moderator:

Yes Sir, Mr. Ashit Kumar Pathak.

Ashit Kumar Pathak:

Very good afternoon respected Chairman Mr. Oscar, MD Mr. Rajiv Rajgopal, Whole-time Director and CFO Mr. R Krishna and respected Independent Director Mr. Amit Jain and also Mr. Hemant Sahai and Ms. Smriti Rekha Vijay. My name is Ashit Kumar Pathak, attending 68th AGM AkzoNobel India Limited from Dum Dum, Kolkata. Many thanks to our Company Secretary for sending me the notice, hard copy of the AGM very well in advance and excellent performance from Secretarial side. Also thanks to Company Secretary Ms. Harshi Rastogi for immense cooperation to me for allowing me to speak. Sir, I have brief points, I like to share. Excellent financial performance, my previous speakers also mentioned, the dividend getting Rs. 75 per share and also EPS 63.68 against 45.60 and net profit achieved 12,588 million and liquidity position is strong liquidity position 4,576. Respected MD and Chairman also mentioned our liquidity position and cash monitoring framework. Sir, in respect to CAPEX program, my view is that in a recent media report, Grasim India Limited has doubled its CAPEX program and that impacted in the domestic Paint Industry in stock market. So, what is our CAPEX program next to three years because you mentioned that India is very emerging economy and \$5 trillion economy next to 5 years, so I think this is the big market in the India, so I think a huge CAPEX program is required for business sustainability while respected Chairman also mentioned about acquisitions and also sir our CAPEX program in digitalization, you also mentioned various initiatives in digitalization AI, AR, VR, IoT, data analytics, metaverse, ML, image recognition is required for the business sustainability. So, if possible, throw some highlights in CAPEX program, in digitalization. Also Indian, 70% of the total population in India resides in rural area, so contributions in paint is only 10 to 15%, so my view is that very low concentration in rural area because many households have disposable income and also government runs various initiatives for increasing their income, so may be concentration in low-cost paints and coatings into rural markets. Next to rapid industrialization because of liberal policies, huge forex investment in India. Industrial hubs in automobiles, consumer durables and various other industries demanding industrial coating. So, I think this may be concentrated here also in housing sector, GDP is 7.5% to 9%. So, real estate is booming, large investment in housing sector and construction sector rapid increase in self-decorative paints and architectural paints, that is very required in these. So, what is my company taking the cost optimization? Because the

raw material price is very up rising position and petroleum derivatives which is required in our raw materials and other materials like Titanium dioxide. So, throw some highlight in cost optimization where interest coverage ratio is half than previous year and debt equity has also increased. And also finance cost is Rs. 145 million against 103 and power or fuel cost also increased. And also, I noticed that your freight and transport is very increased than standalone profit but mentioned Rs. 1,402 million against Rs. 1,164 million. This to be my view side mentioned here, you're travelling expenditure also higher than previous year. So, what the cost optimization my company is taking? This is very necessary required at this moment because another geopolitical situation is coming in China and Taiwan, along with Russia and Ukraine and that is very required for cost optimization. This is my view; I like to share. Also, Manoj Gupta also mentioned about the pending disputes, this is also my view and also inventory is also more than previous year and sir, one point I have noticed here in page 69 other hazardous waste generated 165.2 and recycled 130, but 35.2 is incinerated and also what measurement we are taking waste management because this is very required for waste management. These are the few highlights I like to share also in export vertical, what steps my company is taking because it mentioned many leading Paint company have business verticals in USA, UK, European countries and Middle East, Africa, South Pacific and also Nepal and Bangladesh, Singapore also emerging economy. I think, export vertical may be increased because of rupee also going very weak against dollar but secondly, rupee depreciation is not so impacted the other currency depreciation, which is the another positive I like to share. Respected MD also mentioned these, also any future plan to stock split Mr. Manoj Gupta also mentioned and also finally the CAPEX program in ESG framework, this is very necessary to business sustainability, water conservation, climate is changing, also decarburization, this is very important for the green environment in 2030. So, these are my views which I like to share expected everybody good health and the prosperity of my company year to year. Thanking you sir.

Oscar Wezenbeek: Thank you very much Mr. Pathak indeed we take a note and I think you point us indeed some real challenges that we face ahead. Yes, we have taken note and definitely will answer those. Inba, is Mrs. Lily Pradhan on the line?

Moderator: Yes sir, she is connected over an audio call. Mrs. Pradhan could you please proceed with your question?

Lily Pradhan: Very good afternoon respected Chairpersons and all of you. I am very happy to know that the company is developing a lot in the last few years of COVID situation. Sir, one question, in present situation what is the aim and objective of future development of our company and what is the planning for CSR activity? Thank you, thank you so much. All the best.

Oscar Wezenbeek: Thank you very much. Did we get that question about what she has asked? Can you please repeat the question please Mrs. Pradhan?

Moderator: Could you please repeat your question?

Oscar Wezenbeek: Would you mind repeating the question as the audio connection was a bit shaky there?

Lily Pradhan: What is the aim for obtaining future development? And what is the planning for CSR activities?

Oscar Wezenbeek: Thank you, we will come back to you. Thank you very much Mrs. Pradhan and if you are travelling, do travel safely. Thank you and Inba we have also Mr. Jaydip Bakshi on the lines.

Moderator: Mr. Jaydip Bakshi, please proceed with your question. Thank you.

Jaydip Bakshi: Good evening Chairman, Managing Director, CFO and Board of Directors. Myself Jaydip Bakshi connecting from the city of Kolkata. Thanks to our Company Secretary Rastogi madam and also Mr. Thomas for giving me an opportunity to express my views, and presenting a descriptive and informative annual report and maintaining cordial relation with shareholders and also to our staff of the Kolkata office Mr. Sanjay, who also maintains a good relation with us. Sir, in your initial speech you have detailed everything along with the slides over current position and the current status of our company and our excellent performance by company with good revenue from operations. Very thanks for the interim dividend of Rs. 40 and for the special Rs. 35 which was passed on to mark the 75th Independence of our Nation, it is a great achievement for us and hope we will strive to remember this occasion. Sir, what is the feedback on the percentage of business generated from the Interior Emulsion Dulux Velvet Touch, which has been strengthened by the Tru Color Technology, and also for the exterior emulsion, which is the weathershield where we have the crackproof technology. What has been the business generated from these sectors and do we require any after sale service for this, because I think these are the long life ones. Sir regarding the digitalization and AI implementation, to enhance the consumer experience, what are the steps we are taking? Regarding the business of the Decorative Paint sector, as it has applications on different surfaces. Congrats for that, it's actually great place to work, here we like note and for the R&D department, where in Bangalore and Thane, what are the expansion plans for future, and what is the expenditure plans in the R&D sector? Sir, government is going in for different infrastructure development projects. Sir, how much has the company benefited and what are the plans in this? The effect on pricing of our products as the crude prices and also the other raw material prices which goes into the manufacture of our product are on the rise. And what are our thoughts for the future threats and the risk which we foresee, how we try to conquer them? Sir, have we tried new OEM in automated sector, and the percentage of business gain in the powder coating as an alternative for liquid paint. Thanks once again and congrats for the CSR activities which you are already associated with spending around 60 million and also for the award we have received and the energy conservation and the special water management programme because it is a scarce resource we should highlight on this water management. So, nothing to add more, hope that we have great results and dividend in the coming year. Thank you and all stay safe. Namaskar.

Oscar Wezenbeek: Thank you very much Mr. Bakshi, I believe we had two of the callers who have technical problems Mr. Bannerjee and Mr. Roy. I don't know if we were able to get in touch with either or both of them.

Moderator: Yes, we have been able to connect Mr. Amit Kumar Banerjee. Mr. Banerjee, you may please proceed with your question.

Amit Kumar Banerjee: A very good afternoon to everyone. Respected Chairman, and the meeting Board members present, thank you for getting me connected, an opportunity to speak such a nice occasion. It is our 68th AGM AkzoNobel India Limited. Myself Amit Kumar Banerjee, from the city of Kolkata. I am a very long-standing shareholder of the company; I don't know exactly what is happening about that connectivity and others. First of all, I thank for welcome address of our Chairman and also our MD, and regards the performance is concerned, yes a good progress, steady growth, strong financial performance of the company. A total revenue about Rs. 3,171 crores during this year, is a very good, is a higher about 30% growth, net profit stood with a tune around Rs. 290 crores. It is also higher. EPS is also up about 30%, 63.68. Yes, it is a significant dividend presented, interim dividend also paid 40 and final is due for 35, is totaling Rs. 75 during this Financial Year. Yes, there is also a CSR activities about Rs. 63.5 million for welfare measures, so it is a very nice. Sir, consider bonus, reserve is also there, it is due for long standing. Kindly focus capital expenditure plan for next 2 years. What is your key challenges with other Paint company, just kindly share your view, consider plant visit also, it is comfortable so that we could observe the infrastructure of the plant over there. Any plan to split of the company's equity shares? Sir, I like our company's paints Dulux, Interpon, Resicoat, it is very much appreciable to me also. Lastly, I would say that I believe under the leadership of our respected Chairman of the company Mr. Oscar Wezenbeek, with his leadership and our respected Managing Director, Mr. Rajiv Rajgopal; Wholetime Director and CFO, Mr. R Krishna and also definitely our Mr. Amit Jain, will definitely overcome such risks. Our company will maintain transparency at all levels, will maintain prestigious brand, the product quality in competitive manner and our company will grow up with a new high. I thank also our Company Secretary Ms. Harshi Rastogi and also at Kolkata Sanjay Mallick and her team, our company's Secretarial team including Mr. Thomas is very cordial, sincere and not only he is very well experienced, try to resolve issues level best as and when required. Also thank all the team members for smooth video conferencing conducting me. Myself Amit Kumar Banerjee, over to you for further proceeding sir. Thank you.

Oscar Wezenbeek: Thank you Mr. Banerjee and wonderful that we were able to make the connection with you and to see and hear you again in our AGM, really much appreciated your support. Thank you so much and in my belief also with possibly, Mr. Roy we were not able to connect.

Moderator: Sir, Mr. Roy has not rejoined the meeting, back to you for further proceedings, sir.

Oscar Wezenbeek: We have no further questions that we received from Inba I understand and indeed let me at this point we request Mr. Rajiv Rajgopal, our Managing Director and Mr. R. Krishna, our CFO and Wholetime Director to answer the questions raised by the member speakers and also those questions that have come in through the Chatbox. Over to you, I believe Rajiv, you have the first question to reply.

Rajiv Rajgopal: I think the first question which Mr. Kundu asked which was on the roadmap for the next 5 years, Mr. Kundu, wonderful to see you again and I am truly happy to share with you our thoughts. So, as I have alluded to in our presentation, we have got a very clear grow and deliver strategy and really that is our ambition in what I could call the short and the medium term, so really our

present capacity is able to service demand, we do have capacity and you wanted to know about our capacity augmentation, it is really, we do have a clear plan for our factories in Gwalior both on the powder and paint side, also in Bangalore and Thane, work has already started and we shall apprise you once we start in, we have already sort of apprised all of you on the power and paints investment in Gwalior that we plan to bring in and also on our coating businesses, we started seeing some very good traction on volume and revenue and so we will keep you updated. I really had a very high level, ultimately I think the team here including all my members of the board, we are all here to really create a legacy. We don't realize that the paint market is getting very competitive and heated, I think our first endeavour is to make sure that we take brand Dulux and all the brands under the AkzoNobel flagship to greater heights. That has really been our journey to try and ensure the first start growing equal to market and then faster than market and that is really what we have been really focused on. You have specific question on order book. We do not share order book but suffice to tell you we do capture order book at your very granular levels CRM process and I suffice to say that at least it is very robust and the projects that we finally look at the paints business, I can visually see it for the next 6 months, it is very robust plan that we have. Also in our coating businesses, depending on the nature of the business, we get 3 months to 6 months, sort of window and suffice to say whether it is the automotive segment or in both automotive and specialty coatings or powder or in the architectural in the powder or marine or protected segments, I do see the order book is pretty strong, so I don't think there is any concerns for us on that and really our endeavor is to try and make sure that it is not just 5 year single roadmap, it is about really making the brand AkzoNobel, brand Dulux in the paint part of the business and across reach of the coating business meaningful and making sure that we are a relevant player in the country. That is really the endeavor that we are in. I think Oscar, the next question from Mr. Manoj Kumar, would you like to take it first.

Oscar Wezenbeek:

No, absolutely, so the question that we got on share split, first of all we are very proud to have the continuing support of you, in general we have a very longest standing association with almost all of our shareholders and we are very proud of that. For us also, from an AkzoNobel point of view and from long-term shareholder point of view, what would be the primary moderation to split the shares really would be to attract capital for further investments into our operations. Fortunately, we do have a very strong balance sheet, also the parent company, AkzoNobel has a very strong financial position and it is quite adamant to support the growth initiatives in India. So, from that point of view, we won't need share splits to attract more capital to support the growth plans, the growth plans that we have are sufficiently from this and we have the funds available to continue to do so. So, in that respect, we don't have any plans at this point of time to split any shares. I think also Mr. Gupta came with plans for the Eastern region as well, so back to you, Rajiv.

Rajiv Rajgopal:

I think you had two questions, Manoji, first is Eastern region which is your favorite question as you always ask me, so look Eastern region is one of the fastest grown region and we are sufficiently supported in this entire purpose of really clearing the Gwalior factory. Since you mentioned Mr. Amit Jain's name a few times that he inaugurated the Gwalior factory and I had the benefit of really making sure that we are able to sweat that asset is to really try and make sure we leverage all our markets in the Eastern region both using our Gwalior capacity and our

Hyderabad capacity, so really that is what it is. I came to notice the fact that the North Eastern states are growing disproportionately. It is we have some thoughts and once we crystallize this, I don't come back to you with the specifics, but suffice once again the same which is we are very proud of our market shares in our Eastern region, in Kolkata, as you know Manoj as I have told you I am a Kolkata boy myself, so for me Kolkata is home, so that is the terrain that I will not let go as we started sort of making sure we can start bringing back in the market place. I will also take on another question before I hand it over to Krishna on the question you asked on RMPI. You had a specific question on single-use plants, again let me try and give you our thoughts on it. It is a very valid pertinent question in today's world. We are as a responsible manufacturer of paints and coatings; we are engaging with all management service providers on what is called EPR or Extended Producer Responsibility. This is also we want to take care that we have proper waste management, plastic waste management rules and also we will try and reinforce very positive attitude and behavior of building consumers, in fact, today and mostly in the board meeting we had some fantastic thoughts from our board members on really how can you take a leadership position or thought position on it and these are some feedback that we will take and try and do it. but I just want to give you one thing that in the entire Asia, perhaps Oscar, the decorative paints business in our professional line, we will be the first to experiment recycle plastic which now Oscar is spreading across all over the country. I am truly proud of our procurement, R&D and our marketing teams which took immense steps saying that this is something that we want to do, you will hear more news about it, we are testing and making sure that all this packaging is fit for use, we are going to play a leadership role on plastic and also try and make sure that our stability of our recycled plastic is something that we will sort of monitor and may start taking the leadership position on recycle plastic in the years ahead. Krishna, will you take on the question on RMPI.

R. Krishna:

Thanks Rajiv and we got two of the investors have raised the question on the RMPI impact, one is Manoj Kumar Guptaji and second is Ashit Kumar Pathak. So, let me give the response to both the questions at one go. We have seen a significant increase in the RM prices 2021 quarter one onwards and what we are happy to report that your company has took calibrated price increases ahead of the competition which could able to minimize the dilutional margins compared to the competition and if I have to give a specific response to what the quantum of the price increases which you would have taken across the business segments, is roughly around 21% is the price increases which we have taken against the RM inflation of 25%. At the same time, we are mindful of the quality of products and we continued our efforts in terms of value creation and value engineering in the product portfolio. That is about the RMPI impact and then coming back to the expansion plans and funding, we do have CAPEX proposals of around Rs. 104 crores for 22-23 and which will be funded through the retained earnings in the internal resources. Thank you.

Oscar Wezenbeek:

Thank you and I believe that Mr. Roy was able to submit questions which we will see. So, may be Krishna you can talk a bit about the exchange rate risks and how we mitigate those.

R. Krishna:

Yes, another headwind what we have seen is and we are also seeing now is the significant volatility in the foreign exchange and as a company we have prudent measures in terms of

hedging and minimizing the currency exposures and on a weekly basis we are doing the reviewing and we are protecting the value of the shareholders in this regard with close monitoring.

Oscar Wezenbeek:

Thank you so much, Mr. Roy, I hope you are able to listen in, otherwise we will get that you to reply to this question to you specifically. Rajiv, Mr. Roy also asked the question about the potential increase of quality of products if you have any comments there.

Rajiv Rajgopal:

Yes, one of the things is that the brand Dulux or if you take any of the brands under the AkzoNobel umbrella, really stands in terms of the Western class quality. That is the license to win in the market here, how did we really want to bring this alive, we in 2021 launched the program in early 2021 called Dulux Assurance where we sort of gave the money back offer to consumers because we are confident that our color consistency, our coverage, our finish is uniform finish is something that we can guarantee. We started this initiative, we received the tremendous response, we are working, and we run it across some of our premium portfolio, we are now looking to say how can we make it much larger, so significantly I think and on our coating side if I look at it, we looked at lot of offering particularly in the anti-microbiological space, we have looked at, continued work on fire retardant products, Chartek where we made some innovations very recently, so I think on quality there is something that we are not going to compromise. I am truly proud we had got some world class scientists here who are helping us to make sure that each of our flagship brands, Sikkens, of course comes from Amsterdam, but again the quality that is there, Wanda which is produced locally are clearly best in class quality, so that something that I really want to talk about the quality part specifically.

Oscar Wezenbeek:

Now, I can only echo that so it is something also be monitored confidently in the market, how the brand is being perceived or the quality is being perceived, obviously we've protocols in place to review complaint management, there is also a question about customer satisfaction review indeed we're if anything upping up our protocols in that area, Rajiv, may be you want to answer that aspect as well about customer satisfaction?

Rajiv Rajgopal:

So, I think on customer satisfaction, we do something which is very unique, we do a voice of customer as a management team, so what we do is we get our call center calling all our painters and dealers on a frequency of every month, if asked we must be continuously doing it. We listen to what the customers have to say because to physically reach everyone is not easy while we do all travel to the market, we don't want to be anecdotal evidence, so we have built that repertoire of information and we have a scope which is monitored by our team who leads the customer service and this is excellent and we review as the team on what all the areas and what are the consistency and what are the enactments, so that is something is there. You also asked a question on digitalization initiatives, I will take that one Oscar, which is really to say how can we drive digital. So, if you look at our entire thought process of painting the future saying how can you really bring the power of science into the magic of paints and how can you use digital which in India is not the most in its medium to really bring and bond the customers better. So, that is one thing that we are doing, but we have also done significant strides whether it is on our painter app we have got the lifecycle management learnings with customer lifecycle management where we

got enhanced programs, it is a very targeted to our customers, we have got now CRN which is live where we can look at data of real time across key metrics. In our factories, we have got what we call the internet of things where really this is about making that we enhance productivity, so measurements, very strong yield, also a lot of automation is coming in because of IoT, so these are ways we are all trying to stick the digital features. Finally, to my mind digital initiatives is a journey, it is a roadmap and it is a serious investments that we are making and so that it is easy for teams in the future to continuously build rather than using the whole excel sheets and formulas etc., to arrive at it and it has enhanced their working, it's improvement in productivity. That is really what we are focusing on, even most of our key distributors are on a single platform called Derp so we have really enhanced our ability to be able to capture it and use it effectively across the consumers, customers and in the market players as well.

Oscar Wezenbeek:

Thank you, Rajiv. Mr. Saraf, he also had three questions we noted down, first of all regarding our market share, he also specifically asked for steps for rainwater harvesting and own diversity, Rajiv, would you like to comment them.

Rajiv Rajgopal:

See, the market shares are very difficult because you can take it at an aggregate level, but market shares are by business, so let us start with the paint business where we typically have been 6 and 7%, if you take the listed players it is about 7 to 8%, now remember that when we look at paints, I want to put a caveat that we only participated in core paint, we don't do like some of the other players, the additions that they talk about because we are not right now focusing on other elements of home, we are really focusing on really building out expertise in paint and bring the reference in the paints and coating business. In our coating business and we have got a number four position in paints as you know and as you have seen over the last year, we have become a second fastest player, I just saw the results of all competitors which would just close at the end of today, we are in the second and third zone, so really we are getting back to where we belong and really to reach the place where we belong is really numero uno, because we are here to win. On the coating side of the business, we have got positions of number one to number three in different businesses. Our automotive and specialty coating business has done remarkably well, really build on two platforms, one our premium brand Sikkens and our mass brand Wanda where really we have disproportionately gone into workshops converted, we put programs which improved the efficiency of our workshops through automated solution. That is the way we have done it. Marine and protective had some initial headwinds when we started the last fiscal, but towards the end of the year, we worked in our marine and protective segments, we started getting back to growth across the business. Our powder business had some terrific growth and which is why we are looking at initial investments both in our Bangalore and in our Gwalior factories as we move forward. Our industrial coating business continues to do well, we have taken certain positions there and growth areas of packaging coating we are doing remarkably well. Suffice to say, I am also delighted to inform all of you that we have got Priya Kumari who now heads our industrial coatings business. She has worked for Otis Elevators, Tatas for a long time, so many of you asked this question on diversity, even amongst our business leaders there we have embraced truly diversity and that is something that we will address when we come later.

You also asked a question on rainwater harvesting, let me just answer that, it is a very valid question. I think sustainability is what is there. What we are doing in all our plants is we are obviously started building our factories to address and we have had good monsoon as many of you know this year across all the sites we are in and that is something that we are trying to do on a continual basis to try and make sure that we are able to use the water recycling from whether it is paints or for cleaning, we are able to use our own water that is available for bulk of it, so we don't really have to borrow from the larger environment. The other thing we are truly proud of is the fact that it is zero liquid discharge, all sites are now zero liquid discharge, something I think we can truly be proud of and please refer principle 6 of our BRSR in our annual report you will get some of the details there.

I will also take the question on diversity Oscar with your permission, so I can look diversity and inclusion and it is not just diversity, even inclusion is something we do. I think first when you want to recruit diversity, you must make sure that the basic infrastructure in the workplace and I am referring to depose the work, all our factories where our larger work force work have to be amenable to be able to accept and embrace diversity. So, our first focus was really investing on the infrastructure before we get the people because if you get the people first and the infrastructure is not ready, it is like getting a Mercedes Benz car and you have broken roads and then you will not enjoy the drive, so our focus was really getting it, we have got it, now we have really amazing diversity, we are really if you look at the board whether it is 17% management personal, 33% mid management, 15% new hires 25%, in fact this is your all management trainees we have taken on ladies from reputed institutes. So, our D&I efforts are benchmarked, we are a part, we lead the diversity inclusion, comes in for South Asia which Oscar shares and we are a happy contributor to it, we have started moving the needle, is it enough, no. I would be the first to admit that it is the baby step in the joint strike that we want to make, but I think I would only say echo what Neil Armstrong said that one small step for man is one giant step for human kind, so I think that is really the phrase I remember. I think we are making baby steps, but I think for the future generation, all of you can really feel proud that as you start looking at it year-on-year because we have AGMs every year. Thank you.

Oscar Wezenbeek:

No, I am really pleased with the questions from our shareholders, because these indeed coincides with our priorities as well to have through a proper reflection of the society in which you operate and getting better representation of a female talent in our company at all levels is definitely a key priority for us, so I am very pleased to receive that question. Mr. Ashit Kumar Pathak has asked this question about CAPEX, digitization, raw material inflation which I believe Krishna you reply to. We also had questions regarding our finance cost increase, travel cost increase, power and fuel cost increase which you might want to address.

R. Krishna:

Thanks Oscar and coming to the finance cost increase, overall, we saw around Rs. 40 million increase compared to the previous year. This is primarily coming on account of the new leases which we have entered in the current year and the interest on the credit deposits and large chunk of that increase is attributable towards one of the property matter which we have settled back to the end of the last financial year which is around Rs. 20 million. Regarding the travel cost and the power and fuel cost, both these costs are not comparable to 2021 financial year because we

all know that year was heavily impacted due to the COVID and where some of the spends are significantly lower compared to the normal run rate and having said this, at AkzoNobel we are committed to enhance the shareholder proposition and ensure the grow and deliver strategy implemented and delivered to you. So, cost optimization is topmost priority along with the margin management initiatives. Thank you Oscar.

Oscar Wezenbeek:

No, I can say a good point which being raised and I think we all agree at this side of the table and I think on the other side of the screen is that it continued to show the discipline and how we manage our cost continues to be a key element for any company I would almost argue moving forward, I think also the element of the risk of inflation was being put forward and that indeed is something that we have the scenarios to manage those eventualities that some of the more sure than others that will approach us in the near future. I think we also received a question here up from Mrs. Lily Pradhan regarding our CSR activity. Rajiv, I think you shared with us some beautiful examples, Rajiv, may be you want to address that as well.

Rajiv Rajgopal:

Yes, I will try and address questions with Mrs. Pradhan, thank you for your question, so if you look at our CSR based on your economic development through skill building, pillars of education and really community healthcare, there are three pillars. We have taken some key initiatives on also looking at enhancing diversity and inclusion on vocational skill building and training programs, education for underprivileged children and expanding our telemedicine through our Aarogya Sakha program. Details of program are already included in the annual report. We are truly proud that we have contributed back to the society and we are also happy to receive the CII-ITC Sustainable Award and Communitas Award. These are small measures and if there are any further questions or clarifications, please contact Harshi Rastogi or me, and we will be happy to walk you through any specifics that you would like to ask. Thank you.

Oscar Wezenbeek:

Thank you very much Roy. You had further question that you have registered on cyber security and indeed that is reality for all of us now. I don't know about you, but my email inbox get spammed every day with cyber security and phishing requests and the likes, so this indeed a big priority for the company and there we also leverage some of the capabilities that AkzoNobel provides as a parent company for AkzoNobel as well, but specifically for India Rajiv how would you comment on the risk of cyber security?

Rajiv Rajgopal:

Thank you Oscar and thank you for the question Mr. Roy. Look, I think if you really look at there are 2-3 areas where we really worked on, so first is really about global systems and technology, putting in place things like fire walls. VPN, intrusion detection, antivirus, dual authentication that we have got for employees. The second is really around security threats and also these spam mails and requests that we get not just on mails, but on Whatsapp many times asking with the fraudulent for the identity of people, suffice to say that we have invested significant and the errors that as a company we have had over many years globally, it is something that we have been able to curb in India because some of the work that brought around there. I would however be honest enough to add that in this area no amount of work is enough because the nature of the crimes that the people will always find a work a way around this, so I think in something that we will need to involve humility continue to work on, continue to work

with the best in class, we interact with different people even in our board, we get to hear practices whether it is Amit, in his organization or Smriti in the organization, she worked of course the expert Hemant given that he is pretty much handling these issues not just for top corporates, but also for the government, so we as a team try to learn from our board members what Oscar said of picks up of what is happening across the few parts of the Asia and try to build in India. Suffice to say again it is a small step in the journey, but this is something that we will have to continuously monitor and make sure that we are able to sort of counter both the phishing attack and also winning permanence in the way we handle.

Oscar Wezenbeek:

Now, I couldn't agree more Rajiv and if anything what we have to see is the human element which is actually critical and there is only so much we can do through automatic solutions to avoid or enhance for cyber security and avoid any phishing attempts to be successful, so I think you have done a lot of work with the India team of making sure that people are aware of the increasing amount of risks that we have in this area and the type of ingenuity that these companies sometimes deploy to try to get away to our systems, so thank you for that. Indeed it is a high priority and again thank you dear shareholders to raising this topic. Going to the questions that Mr. Bakshi raised on the feedback that we have received, you will answer those Rajiv.

Rajiv Rajgopal:

First and foremost, thank you, we have received some very good feedback from all stakeholders on Dulux Velvet Touch. we have done our research and our scores are benchmarked, we got a score of almost 4.1-4.2 out of 5 on almost all parameters whether accessibility, reach, brand connect etc. it is significantly above most benchmarks that we have. So, I will take the next few questions also. So, we have got question on how do we plan to benefit from the government spend on infra, the government had really announced a lot of projects, suffice to say that we are now actively participating in it, subject to making sure that our governance is not compromised, making sure that the quality of our products stands for it and we are delighted because the government has responded offering awards to contract based on the quality of products that we get it across our paints and coatings. So, whether it is a national infrastructure pipeline, whether it is projects in power, roads, airports, I think our coatings and our paints businesses sufficiently sort of built to be able to take it. We have done a lot of prestigious projects, I will update you once we complete some of it because currently they are in scope and hopefully over the next two weeks, you will also see couple of launches during the Independence Day where you can rest be assured that we had a silent and behind some of the landmarks that are getting launched. On R&D expansion, I think the global investments on R&D is one of the reasons why the brands portfolio are significantly ahead in terms of quality of the competitiveness. We stand to be a huge beneficiary and we have got a huge as you can see from our innovated pipeline and a customer focus solution, we are driving this to the next level. In terms of risks and mitigations, Krishna please feel free to add, I will start and hand it over to you. There is a persistent increase in raw material, Krishna has already covered it, I think for us there are two elements, one is entire macroeconomic feel, of course the rest of the globe sees it differently as I told you I'm an optimist, I still think India will do very well. Now the issue is what is the relative growth, whether it will be 7.5 or 6.7 to meet those number is really. I still think it is a significant growth and the

paint and coating business sufficiently poised to be continuously delivering good double-digit growth in the years to come. So, that is really what it is. Krishna, you want to add something.

R. Krishna: No, I think Rajiv, you are bang on it in terms of the risk management we are proactively identifying and mitigating all the risks which are as and when they come and before anticipate some of the risks and take preventive actions around it.

Oscar Wezenbeek: Wonderful, I was checking with the team in the background if we have received other questions in the Chatbox, I believe if that is not the case, but if you have any other questions, I think you already have complimented our corporate secretarial team which indeed is doing a marvelous jobs, so if you have further queries by all means reach out to us and we will get to you with the response. Let me now take up agenda items sequentially as proposed in the notice.

First of all item number 1 relates to the adoption of the audited financial statements (standalone and consolidated) for the year ended 31st March 2022 and the reports of the Directors and Auditors thereon, as an ordinary resolution. I am happy to inform you that the auditor's report on the financial statements of the company for the year ended 31st March 2022 did not have any qualifications or adverse observations and in view of the same with your permission, we will take them as read.

Item 2 relates to confirmation of interim dividend of Rs. 40 already paid and declaration of final dividend for the year ended 31st March 2022 at Rs. 35 per equity share, as an ordinary resolution.

Item 3 relates to re-appointment of myself as a Director, as an ordinary resolution. Item 4 and 5 come under Special Business, Item 4 relates to appointment of Ms. Smriti Rekha Vijay as an Independent Director for a second term of 3 consecutive years, as a special resolution; and Item 5 relates to ratification of remuneration to M/s Chandra Wadhwa & Company, the Cost Auditors for the year 2022-23, as an ordinary resolution.

I now request those members present through Video Conferencing and Other Audio-Visual Means, but who have not cast their vote through the remote e-voting facility, can exercise their vote for each resolution through the electronic voting platform provided by NSDL, the icon of which is available on top of your screen.

Mr. A K Labh, proprietor of M/s A K Labh & Company, Practicing Company Secretary, will scrutinize the votes cast through 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 not later than 5 p.m. on August 6, 2022.

The voting results along with the scrutinizer's report shall be uploaded on the website of the company and the NSDL and shall also be available at the registered office 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. It is really great to see your questions and our alignment.

Though there are limitations, e-meeting did allow us to have wider participation from all over the country and even abroad, which would not have been possible in a physical meeting. I do wish you stay healthy and stay safe. Thank you very much.