

# Annexure I

## Report on Corporate Governance

### 1. Company's philosophy on Corporate Governance

Your Company aspires to uphold the highest standards of corporate governance and seeks to consistently enhance its corporate governance performance, emphasizing transparency and embedding a sustainable culture of long-term value creation; its corporate governance practices reflect its values and principles.

Your Company takes utmost care to safeguard the interests of all its stakeholders. The Board represents the shareholders' interest in optimizing long-term financial returns and is committed to its responsibility towards all the stakeholders viz. customers, employees, suppliers, regulatory bodies and the public in general. All significant matters are decided after due examination by the Board with full participation of non-executive directors, who

impart the benefit of their vast experience and skills to bring qualitative improvement to the decision-making process.

Your Company has adopted a Code of Conduct based on three principles viz. Safety, Integrity and Sustainability, to drive a culture of good governance.

To make informed decisions, the Board has constituted Committees viz. Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee, to oversee specific areas within their purview.

The principles and policies that guide the Company in achieving its corporate governance goals are posted on company's website [www.akzonobel.co.in](http://www.akzonobel.co.in).

The Company follows the requirements of corporate governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), as reported below:

## 2. Board of Directors

### Composition

The Board composition is in conformity with the applicable provisions of the Companies Act and the Listing Regulations. The names and categories of the Directors and the number of Directorships and Committee Memberships held by them as on the date of this report are as follows:

Name of the Director	Category of Directorship in the Company	Directorship held in other listed entities	Directorship in other Companies (Chairmanship)	Membership in specified* committees (Chairmanship)
Mr A Jain	Non Executive Chairman	-	2(1)	-
Mr R Rajgopal <sup>1</sup>	Managing Director	-	7	1
Mr L Kataria <sup>2</sup>	Wholetime Director	-	1	1
Mr R S Kapur	Independent Director	-	-	1
Ms K Narsimhan	Independent Director	Astra Zeneca Pharma India Ltd - Independent Director Bharti Airtel Limited -Independent Director	3	2(1)
Mr A Uppal	Independent Director	Whirlpool of India Limited -Non Executive Chairman	4	3
Mr H Sahai <sup>3</sup>	Independent Director	-	2	2(1)
Mr O Wezenbeek <sup>4</sup>	Non Executive Director	-	3(1)	1

\*Specified committees include only Audit and Stakeholders Relationship committees

<sup>1</sup>from 1 Nov 2018

<sup>2</sup>from 1 Feb 2019

<sup>3</sup>from 3 Aug 2018

<sup>4</sup>from 4 May 2019

## Board Procedures Core Skills for Board Members

The Board normally meets once in a quarter to review the financial results and operations of the Company. In addition, the Board also meets as and when necessary to deal with specific matters concerning your Company.

The Board Meetings are governed by a structured agenda.

The agenda along with supporting material are circulated in advance to all the Directors. At each meeting, presentations are made on the Company's performance, operations and any other matters sought by the Board. All Board members have access to accurate, relevant and timely information to fulfil their responsibilities. The Company has arranged for sharing information electronically in a secure manner with its board members. Board meeting agendas, presentations, minutes and other important documents and messages are shared through this platform making the board communication seamless and paperless.

All Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's business, policies and procedures. Presentations are made at the Board and Board Committee Meetings, on business and performance of the Company, business environment, strategy and risk management. Financial results, press releases, annual report and quarterly updates on relevant statutory changes and judicial pronouncements encompassing important laws and their impact on the Company's operations are circulated to all the Board members

The Board, inter alia, reviews annual operating and capital expenditure plans and budgets, financial statements, compliance report(s) of laws applicable to the Company, major legal and tax issues, appointment and remuneration of Directors and all relevant information specified in the Listing Regulations.

The Company's core business is manufacturing, distribution and sale of paints and coatings. Given below is the list of core skills/ expertise/competencies identified by the Board of Directors as required in the context of Company's business for it to function effectively and those available with the Board as a whole:

- i) Sales & Marketing
- ii) Technical
- iii) General management
- iv) Legal and Governance
- v) Strategic thinking and decision making
- vi) Financial
- vii) International Business

### Meetings and attendance

Given below is the consolidated list of meetings of the shareholders, Board and committees held during April 2018 to March 2019 and attendance details of Directors:

Meeting	Date
Annual General Meeting (AGM)	2 Aug 2018
Board	6 Apr 2018, 10 May 2018, 2 Aug 2018, 7 Sep 2018, 3 Nov 2018 and 1 Feb 2019
Audit Committee	10 May 2018, 2 Aug 2018, 3 Nov 2018 and 1 Feb 2019
Stakeholders Relationship Committee (SRC)	3 Nov 2018
Nomination and Remuneration Committee (NRC)	2 Aug 2018, 7 Sep 2018 and 1 Feb 2019
CSR Committee	1 Aug 2018, 2 Nov 2018 and 30 Jan 2019
Independent Directors Meeting	1 Feb 2019

Attendance									
<b>No. of Meetings held</b>				1	6	4	1	3	3
<b>Directors</b>	<b>Date of joining the Board</b>	<b>Date of cessation</b>							
Mr A Jain	01 Jun 2009	Continuing	1	6	NA	NA	3	NA	NA
Mr R Rajgopal	01 Nov 2018	Continuing	NA	2	NA	1	NA	NA	1
Mr L Kataria	01 Feb 2019	Continuing	NA	NA	NA	NA	NA	NA	NA
Mr A Uppal	01 Apr 2011	Continuing	1	6	4	NA	3	NA	NA
Mr R S Kapur	01 Mar 2014	Continuing	1	6	4	NA	3	NA	3
Ms K Narsimhan	30 Jan 2015	Continuing	1	4	4	NA	2	NA	NA
Mr H Sahai	03 Aug 2018	Continuing	NA	3	2	1	2	NA	NA
Mr R Guha	10 Sep 2018	9 Feb 2019	NA	2	NA	1	NA	NA	2
Mr K Jayakumar	01 Mar 2014	12 Sep 2018	1	4	NA	NA	NA	NA	1
Mr P Menon	01 Feb 2016	3 Aug 2018	1	3	NA	NA	NA	NA	1
Mr A Ghosh	29 May 2015	3 Aug 2018	-	-	-	NA	-	NA	NA
Mr J Rowe	06 Apr 2018	01 Dec 2018	1	2	-	NA	-	NA	NA
Mr R Gopalakrishnan	19 May 1999	23 Jul 2018	NA	1	1	NA	NA	NA	NA
Dr S Misra	14 May 2010	23 Jul 2018	NA	1	1	NA	NA	NA	NA

NA' signifies not a member of the relevant committee or meetings held when the Director was not a member of the Board/Committee.

<b>3. Audit Committee</b>	
<b>Composition</b>	
Ms K Narsimhan (Chairperson*)	Independent Director
Mr R S Kapur	Independent Director
Mr H Sahai*	Independent Director
Mr A Uppal	Independent Director

\*from 3 Aug 2018

The members of the Committee possess necessary knowledge in financial, accounting and business matters. The Chairman, Managing Director, Wholetime Director, Internal Auditors and Statutory Auditors are permanent invitees to the meetings of the Committee, with the Company Secretary acting as its Secretary. Any other person / executive, when required, also attend the meetings of the Committee. Minutes of the Audit Committee meetings are circulated to all the Board members.

The terms of reference of the Committee are in alignment with the norms specified in the Listing Regulations and relevant provisions of the Act.

For details of meetings of the Committee held during the year and attendance therein, please refer to para 2 above.

#### 4. Risk Management Committee

##### Composition

Mr A Uppal (Chairman)	Independent Director
Mr L Kataria	Wholetime Director and CFO
Mr R Rajgopal	Managing Director
Mr H Sahai	Independent Director
Mr A Bhattacharya	Sales Head, Marine & Protective Coatings
Mr R Guha	Company Secretary/Internal Auditor
Mr A Kumar	Head, Manufacturing
Ms H Rastogi	Accounting & Tax Controller

In terms of the amended Clause 21 of SEBI LODR Regulations 2015, read with the notification dated 28 March 2018, for monitoring and reviewing the risk management plan of the company, the Board has constituted the aforesaid Risk Management Committee.

The Company Secretary functions as the Secretary to this Committee.

#### 5. Nomination and Remuneration Committee

##### Composition

Mr A Uppal (Chairman*)	Independent Director
Mr A Jain	Non Executive Director

Mr R S Kapur	Independent Director
Ms K Narasimhan	Independent Director
Mr H Sahai*	Independent Director

\*from 3 Aug 2018

The purpose of this Committee is to identify and recommend to the Board suitable candidates for appointment as Executive/ Non-Executive Directors and for senior management positions.

It will also advise the Board on the policies and framework for the remuneration and other terms and conditions of employment including commissions, perquisites and allowances for all Executive Directors of the Company.

The Company Secretary functions as the Secretary to this Committee.

For details of meetings of the Committee held during the year and attendance therein, please refer para 2 above.

#### 6. Board evaluation

In terms of the Act and the Listing Regulations, an annual performance evaluation of the Board is being undertaken to formally assess the performance of the Board, its Committees and its individual members with an objective to improve the effectiveness of the Board and its Committees. For the year 2018-19, the evaluation was done in compliance with the SEBI Guidance note on Board Evaluation dated 5 January 2017. The evaluation process focused on various aspects of the functioning of the Board and Committees such as composition, experience and competencies of members, performance of specific duties and obligations, governance structure, succession and talent management, etc.

The findings from the survey were shared with the Chairman, who in turn, held discussions with individual Board members. Individual evaluations were in line with the full Board evaluation, with no Board Member receiving negative feedback on any aspect. Aggregate findings were shared with the Board and it was noted that these were all positive, either meeting/exceeding expectations. Several suggestions for improvement were also noted for action. The survey also revealed that previous year's low rating items have moved up the scale and no longer remain a concern.

#### 7. Remuneration of Directors

While remuneration of Wholetime Directors is recommended by the NR Committee, the remuneration of NEDs is recommended by the Board. The NEDs, other than Mr A Ghosh and J Rowe, were paid sitting fees of H 50,000 per meeting for attending Board/Committee meetings, where they have been nominated as members, and Commission as approved by the Board/shareholders from time to time. No Non-Executive Director has been paid in excess of

fifty percent of the total amount paid to all the non-executive directors of the Company The details of remuneration paid/payable to the Directors for the year 2018-19 are given below:

	Fixed component a Salary and allowances	Performance linked bonus b Performance Pay	(H million) Total remuneration c (c = a+b)
<b>Managing/Wholtime Directors</b>			
Mr R Rajgopal <sup>1</sup>	10.56	0.65	11.21
Mr L Kataria <sup>2</sup>	3.75	0.15	3.90
Mr R Guha <sup>3</sup>	6.78	0.40	7.18
Mr K Jayakumar <sup>4</sup>	10.65	-	10.65
Mr P Menon <sup>5</sup>	6.77	-	6.77
<b>Total</b>	<b>38.51</b>	<b>1.20</b>	<b>39.71</b>
<b>Non-Executive Directors</b>			
	<b>Sitting fees</b>	<b>Commission</b>	
Mr A Jain (Chairman)	0.45	1.20	1.65
Mr R Gopalakrishnan <sup>6</sup>	0.10	0.27	0.37
Mr R S Kapur	0.80	0.80	1.60
Dr S Misra <sup>6</sup>	0.10	0.27	0.37
Ms K Narsimhan	0.50	1.00	1.50
Mr A Uppal	0.65	0.80	1.45
Mr H Sahai <sup>7</sup>	0.40	0.53	0.93
<b>Total</b>	<b>3.00</b>	<b>4.87</b>	<b>7.87</b>

<sup>1</sup>from 1 Nov 2018

<sup>2</sup>from 1 Feb 2019

<sup>3</sup>from 10 Sep 2018 to 8 Feb 2019

<sup>4</sup>upto 10 Sep 2018

<sup>5</sup>upto 2 Aug 2018

<sup>6</sup>upto 22 Jul 2018

<sup>7</sup>from 3 Aug 2018

Notes:

- Service contracts with the Managing Director and Wholtime Director are terminable by notice of three months.
- No severance fee was paid to any Director during the year.
- Performance linked bonus are made to the Managing Director and Wholtime Director(s) based on pre-agreed parameters and considering the recommendations of the NR Committee.
- Currently, the Company does not have any stock option scheme, though some of the senior managers of the Company are eligible for long-term incentives, which are treated as share-based payments.

## 8. Stakeholders Relationship Committee

Composition	
Mr H Sahai (Chairman*)	Independent Director
Mr L Kataria	Wholtime Director
Mr R Rajgopal	Managing Director

\*from 3 Aug 2018

The Company Secretary functions as the Secretary to this Committee and has been nominated as the Compliance Officer of the Company.

The Company received 12 complaints from its investors during 2018-19, all of which have been resolved and no complaint was pending as on 31 March 2019. Routine queries/service requests received from the shareholders are normally addressed within 7

days of receipt. All share transfer requests received during the year were serviced within the normal service time.

For details of meeting of the Committee held during the year and attendance therein, please refer para 2 above.

## 9. General Body Meetings

(i) Details of the last three Annual General Meetings of the Company are given below:

Date of AGM	Time	Venue
02 August 2018	2:00 pm	Bharatiyam, EZCC, Salt Lake City, Kolkata 700 106
14 August 2017	2:00 pm	Hyatt Regency, Salt Lake City, Kolkata 700 098
26 July 2016	2:00 pm	Hyatt Regency, Salt Lake City, Kolkata 700 098

- (ii) No special resolutions was proposed for approval of the shareholders at the previous 3 AGMs
- (iii) Following resolutions were passed by the shareholders through postal ballot during the year 2018-19:

1) One Special Resolution, for buyback of 1.12 million equity shares of the company:

Date of Postal Ballot Notice: 13 April 2018 Voting period: 23 April 2018 to 22 May 2018 Date of passing of resolution: 22 May 2018 Date of declaration of result: 25 May 2018

Summary of the voting pattern is as follows:

Resolution	Votes cast in favor (in %)	Votes cast against (in %)
Buyback of 1.12 million equity shares of the company	99.99	0.01

2) Three ordinary resolutions for appointment of Directors, viz., Mr H Sahai as an Independent Director, Mr R Rajgopal as the Managing Director and Mr R Guha as a Wholetime Director:

Date of Postal Ballot Notice: 7 September 2018 Voting period: 27 September 2018 to 26 October 2018 Date of passing of resolutions: 26 October 2018 Date of declaration of result: 27 October 2018

Summary of the voting pattern is as follows:

Resolution	Votes cast in favor (in %)	Votes cast against (in %)
Appointment of Mr H Sahai as an Independent Director	99.999	0.001
Appointment of Mr R Rajgopal as the Managing Director	99.997	0.003
Appointment of Mr R Guha as a Wholetime Director	99.999	0.001

Mr Atul Kumar Labh of M/s A.K. Labh & Co., Practicing Company Secretaries, was the Scrutinizer

for conducting the aforesaid postal ballots in a fair and transparent manner.

Procedure for Postal Ballot:

In compliance with sections 108, 110 and other applicable provisions of the Act, read with the Rules issued thereunder, the Company provided electronic voting (e-voting) facility to all its members. The Company engaged the services of National Securities Depository Limited ('NSDL') for the purpose of providing e-voting facility. The members had an option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appeared on the Register of Members/ list of beneficiaries as on the cut-off date. The Company also published a notice in the newspapers intimating the details of completion of dispatch and other requirements under the Secretarial Standards issued by Institute of Company Secretaries of India, Companies Act, 2013 and the Rules issued thereunder.

Voting rights were reckoned on the paid up value of shares of the Company registered in the names of the shareholders as on the cut-off date. Members desiring to vote through physical ballot were requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last date of e-voting.

The Scrutinizer submitted his report to the Chairman after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Chairman/his nominee of the Company. The results were communicated to the Stock Exchanges and uploaded on the website of the Company.

No proposal is pending as on date of this report for approval as a special resolution through postal ballot.

No Extraordinary General Meeting of the Members was held during the year 2018-19.

## 10. Means of Communication

i.	Quarterly results	The quarterly results of the Company are published and advised to the Stock Exchanges where the Company's shares are listed.
ii.	Newspapers wherein results are normally published	Business Standard (English), Aajkaal (Bengali)
iii.	Any website, where results are displayed	The results, press releases, presentations and other relevant information are displayed on the Company's website
iv.	Whether it also displays official news releases	
v.	Presentations made to institutional investors or to the analysts	<a href="http://www.akzonobel.co.in">www.akzonobel.co.in</a>

11. General Shareholder Information			
i.	AGM: date, time and venue	8 August, 2019 at 1400 hours at, Bharatiyam, Eastern Zonal Cultural Centre, IB-201, Sector III, Salt Lake City, Kolkata 700 106	
ii.	Financial year	1 April to 31 March	
iii.	Financial calendar (Tentative)	<b>Quarterly / Annual Results</b>	<b>Publication on or before</b>
		1st quarter ending 30 Jun 2019	14 Aug 2019
		2nd quarter ending 30 Sep 2019	14 Nov 2019
		3rd quarter ending 31 Dec 2019	14 Feb 2020
		Year ending 31 Mar 2020	30 May 2020
iv.	Date of book closure	2 Aug 2019 to 8 Aug 2019 (both days inclusive)	
v.	Dividend payment date	On or around 22 Aug 2019 (after approval at the AGM)	
vi.	Listing on Stock Exchange	The Company's shares are listed on BSE Limited ('BSE'), Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 and National Stock Exchange of India Limited ('NSE'), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Listing fees for the period 1 Apr 2019 to 31 Mar 2020 have been paid.	
vii.	Stock code	BSE : 500710	
		NSE : AKZOINDIA-EQ	
		ISIN : INE133A01011	

#### viii. Market price data and stock performance during the year 2018-19

BSE NSE						
Month	High (H)	Low (H)	Volume	High (H)	Low (H)	Volume
Apr 2018	1,980.00	1,797.00	30,364	1,979.90	1,791.00	289,782
May 2018	1,993.00	1,896.00	14,453	1,994.90	1,895.00	270,162
Jun 2018	1,965.00	1,806.00	11,375	1,958.90	1,799.00	114,902
Jul 2018	1,931.95	1,806.20	23,734	1,898.00	1,805.00	334,784
Aug 2018	1,861.05	1,715.00	29,741	1,865.10	1,714.10	237,173
Sep 2018	1,751.00	1,557.60	13,536	1,758.90	1,545.00	102,495
Oct 2018	1,699.95	1,471.00	15,671	1,652.00	1,474.95	148,685
Nov 2018	1,621.95	1,524.30	9,408	1,630.00	1,518.05	103,957
Dec 2018	1,759.75	1,500.00	143,066	1,760.00	1,512.10	636,377
Jan 2019	1,820.95	1,689.00	26,896	1,825.00	1,688.95	135,223
Feb 2019	1,810.00	1,630.10	18,373	1,811.70	1,632.00	111,593
Mar 2019	1,810.00	1,673.10	79,681	1,817.95	1,692.10	158,391

#### ix. Stock performance in comparison to BSE Sensex from April 2014 to March 2019



Note: Comparison is made by anchoring the share price and Sensex value at a base value of 100 as on 1 April 2014. The movements in the BSE Sensex and the Company's share price have been displayed in the graph with reference to that base.

#### x. Unpaid/unclaimed Dividend and related shares

In terms of the applicable provisions of the Act, read with the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all dividends remaining unclaimed for a period of seven years along with the corresponding shares are required to be transferred by the Company to the IEPF Authority.

The Company has sent intimation to the concerned shareholders at their latest available address individually whose dividends/shares are liable to be transferred to IEPF as well as through a Press advertisement. Full details of such dividends/shares, including the names of shareholders, Folio number or DP ID-Client ID and the number of shares and dividend amount have also been uploaded on the website of the Company [www.akzonobel.co.in](http://www.akzonobel.co.in), with due intimation to the Stock Exchanges.

Your Company has transferred a sum of H 8.08 million and 21,348 shares, after 121 and 134 days respectively of aforesaid intimation, to the IEPF Authority being unclaimed dividend for seven consecutive years and corresponding shares in respect of the financial year ended 31 March 2011, within the due dates.

Amounts of unclaimed dividend as on 31 March 2019 and the due dates for transfer to IEPF are:

**Financial Amount Due date for transfer to IEPF**

year	(J million)	(excluding the period allowed for remittance under Rule 3 of the IEPF Rules, 2001)
2011-12	10.6	14 Sep 2019
2012-13	46.8	13 Sep 2020
2013-14	45.2	16 Sep 2021
2014-15	12.4	19 Sep 2022
2015-16	39.6	31 Aug 2023
2016-17	13.9	19 Sep 2024
2017-18	8.1	7 Sep 2025
<b>Total</b>	<b>176.6</b>	

**xi. Registrar and Share Transfer Agent**

M/s C B Management Services (P) Ltd.  
P-22, Bondel Road, Kolkata 700 019 Tel: 033-40116700 Email:  
[rita@cbmsl.com](mailto:rita@cbmsl.com)

**xii. Share transfer system**

All requests for share transfers are processed and approved by the Seal and Share Transfer Committee, which normally meets once in every 10 to 15 days. Share transfers are registered within 10 days from the date of lodgement of complete documents and returned within 7 days from the date of registration (Registration of transfer in physical form discontinued from 1st April 2019)

**xiii. Distribution of shareholding as on 31 March 2019**

Range (No. of shares)	No. of shareholders	% of shareholders	No. of shares	% to total shares
1-50	26,864	67	470,002	1.0
51-500	12,136	30	1,728,674	3.8
501-5000	1,091	3	1,266,998	2.8
5001-50000	48	*	650,929	1.4
50001-1000000	20	*	5,368,750	11.8
1000001 & above	3	*	36,054,961	79.2
<b>Total</b>	<b>40,162</b>	<b>100</b>	<b>45,540,314</b>	<b>100.0</b>

\*less than 0.5%

**Shareholding Pattern as on 31 March 2019**

Category of shareholders	No. of shares ('000)	%
<b>(A) Promoter and Promoter Group</b>	<u>34,044</u>	<u>74.8</u>
<b>Total</b>	<b>34,044</b>	<b>74.8</b>
<b>(B) Public shareholding</b>		
(a) Mutual funds	1,761	3.9
(b) Insurance companies	1,961	4.3
(c) Nationalised Banks	18 J	0.1
(d) Other Banks	8 J	
(e) Foreign Institutional Investors	651	1.4
(f) NRIs	117	0.3
(g) Bodies Corporate	3,300	7.2
(h) Individuals/others	3,680	8.0
<b>Total public shareholding</b>	<b>11,496</b>	<b>25.2</b>
<b>Total (A) + (B)</b>	<b>45,540</b>	<b>100.0</b>



**xiv. Dematerialisation of shares and liquidity**

The Company's equity shares have been notified for trading only in demat form with effect from 17 January 2000. As of 31 March 2019, 74.14% of the Company's equity shares involving 33.76 million shares have been dematerialized (No. of demat accounts: 27,888).

The Company has entered into necessary agreements with the authorised depositories NSDL & CDSL to enable smooth operation of demat mode of shareholding/trading.

**xv. Outstanding GDRs/ ADRs/warrants or any convertible instruments, conversion date and likely impact on equity**

None issued/outstanding in past 10 years.

**xvi. Commodity price risk or foreign exchange risk and hedging activities**

The Company's business operations are subject to commodity as well as foreign exchange risks. Commodity price risk is managed by adhering to inventory norms. Foreign exchange risk is managed through forward contracts.

**xvii. Plant locations**

The Company's plants are located at:

1. Plot No 9-29, Narsapur Road, Balanagar, Hyderabad, Telangana - 500 037
2. Plot No 62, Hoskote Industrial Area, Bengaluru, Karnataka - 562 114
3. Plot No. GAF-1 & 2, Industrial Area, Ghirongi (Malanpur), Bhind, Madhya Pradesh - 477 117
4. Plot No. A-42, Phase-VIII-B, Focal Point, SAS Nagar, Mohali, Punjab - 160 059
5. Plot No.1/1, TTC Industrial Area, Thane Belapur Road, Koparkhairne, Navi Mumbai, Maharashtra - 400 709

**xviii. Address for correspondence**

Shareholders' correspondence may be addressed to:

1. C B Management Services (P) Ltd Unit: Akzo Nobel India Limited P-22, Bondel Road, Kolkata 700 019 Tel: +91 33 40116700 Email: [rita@cbmsl.com](mailto:rita@cbmsl.com)

OR

2. The Company Secretary Akzo Nobel India Limited Epitome, Building No 5, Tower A 20th Floor, Cyber City, DLF Phase III Gurugram 122 002 Tel: +91 124 2540400 Email: [investor.india@akzonobel.com](mailto:investor.india@akzonobel.com)

## 12. Other Disclosures

- a. There were no materially significant related party transactions entered into by the Company with its Promoters, Directors or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interests of the Company at large. The Directors periodically disclose their interest in different companies, which are noted by the Board. The Register of Contracts containing the transactions with companies in which Directors are interested is placed before the Board periodically.
- b. There were no strictures or penalties imposed on the Company by Stock Exchanges or SEBI or any statutory authority for non-compliance on any matter related to capital markets, during the last three years.
- c. The Company has adopted a Whistle Blower policy by the name 'Speak Up' under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. It is affirmed that no personnel have been denied access to the Audit Committee. A copy of the policy is posted on the website of the Company at [www.akzonobel.co.in](http://www.akzonobel.co.in)
- d. CEO / CFO certification in respect of Financial Statements and Cash Flow Statement pursuant to Regulation 17(8) of Listing Regulations has been provided.
- e. The Policy on related party transactions can be accessed on the Company's website [www.akzonobel.co.in](http://www.akzonobel.co.in)
- f. The Policy on materiality of related party transactions can be accessed on the Company's website [www.akzonobel.co.in](http://www.akzonobel.co.in)
- g. None of the Non-Executive Directors had any materially significant pecuniary relationship or transaction vis-a-vis the Company, which may have a potential conflict with the interests of the Company at large. Mr O Wezenbeek is and Mr A Ghosh & Mr J Rowe were entitled to remuneration and other benefits for their respective roles in the AkzoNobel Group, during their tenure of employment with that Group.



- h. All Directors have confirmed that they do not hold any shares in the Company.
- i. None of the Directors are related to each other.
- j. There was no instance of non-acceptance of any recommendation by the Committees of the Board which was mandatorily required to be accepted by the Board.
- k. It is hereby confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.
- l. The terms and conditions of appointment of Independent Directors have been posted on Company's website [www.akzonobel.co.in](http://www.akzonobel.co.in)
- m. A certificate from a Company Secretary in Practice stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI of Ministry of Corporate Affairs or any such statutory authority is appended.
- n. Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part are given below:

	(R million)
Statutory Audit	10
Other Services	4
<b>Total</b>	<b>14</b>

- o. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- a. Number of complaints filed during the financial year 1
- b. Number of complaints disposed of during the financial year 1
- c. Number of complaints pending as on end of the financial year Nil

## 16. Unclaimed Suspense Account

In terms of the Listing Regulations, the Company has dematerialized and kept the unclaimed shares in 'Akzo Nobel India Limited -Unclaimed Suspense Account'. Disclosure in respect of the equity shares kept in this account is given below:

i)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year:	134 shareholders and 5,332 shares
ii)	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year:	6 shareholders and 219 shares
iii)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year:	6 shareholders and 219 shares
iv)	Number of shareholders whose shares were transferred from the Unclaimed Suspense Account to IEPF Authority:	13 shareholders and 840 shares
iv)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year:	115 shareholders and 4,273 shares

The voting rights on the above shares have been frozen till the rightful owner approaches the Company to claim the shares as per applicable regulations.

## 13. Compliance

The Company is in full compliance with all the requirements specified in regulations 17 to 27 and clauses (b) to (i) of subregulation (2) of regulation 46 of the Listing Regulations.

## 14. Code of Conduct

Your Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code of Conduct gives guidance and support needed for ethical conduct of business and compliance with law. Copy of the Code of Conduct is posted on the website of the Company [www.akzonobel.co.in](http://www.akzonobel.co.in). This has also been circulated to Directors and senior management personnel, and its compliance is affirmed by them annually.

A declaration in this regard by the Managing Director is given below:

### Code of Conduct Declaration

I hereby confirm that the Company has obtained affirmation from all the members of the Board and senior management personnel that they have complied with the Code of Conduct of the Company in respect of the financial year ended 31 March 2019.

**Rajiv Rajgopal**

Gurugram Managing Director  
3 May 2019 DIN 06685599

## 15. Certificate of Compliance

A certificate from a practicing Company Secretary on the Company's compliance with corporate governance norms as required under Listing Regulations is appended.

## 17. Non-mandatory Requirements

Details of compliance with non-mandatory requirements as specified in Part E of Schedule II of the Listing Regulations are given below:

Description	Status as on 31 March 2019
(i) Non-Executive Chairman's office and expenses	No office or related facilities are provided by the company to its Non-Executive Chairman; however, expenses incurred by him in the performance of his duties on behalf of the Company are borne by the Company.
(ii) Sending of half-yearly declaration of financial performance including summary of the significant events during the past six months to each household of shareholders	As the Company's quarterly financial results are published in leading newspapers and major developments are covered in the press releases (which are also posted on the Company's website), sending the half-yearly financial results to the shareholders is not considered necessary.
(iii) Audit qualifications	There is no audit qualification in the report of the statutory auditors for the current financial year. However, one area of non compliance by a promoter entity in respect of dematerialization of its shareholding has been reported by the Secretarial Auditor. This has been referred to the shareholding entity for suitable action and compliance.
(iv) Separate posts of Chairman and CEO	The Company currently has separate persons appointed to the posts of Chairman and Managing Director
(v) Reporting of Internal Auditor	The Internal auditor directly reports to the Audit Committee
Place: Gurugram Date: 3 May 2019	On behalf of the Board  Amit Jain Chairman DIN 01770475