

24th February 2025

Department of Corporate Services
BSE Limited
1st floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai - 400 001
Scrip Code: 500710

The Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor,
Bandra-Kurla Complex
Bandra (E)
Mumbai – 400051
Symbol: AKZOINDIA

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir / Madam,

Pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), we wish to inform you that the Board of Directors of Akzo Nobel India Limited (“**Company**”) has received a Binding Offer Letter (dated 24th February 2025) from Akzo Nobel N.V. (“**BOL**”), the ultimate promoter/holding company of the Company, with customary conditions as detailed in the annexure attached herewith, *inter alia*, for:

- (i) Purchase of all assets and liabilities related to Powder Coatings undertaking of the Company, on a slump sale basis;
- (ii) Purchase of all assets and liabilities related to the International Research Center situated in Bangalore which is operated by the Company, on a slump sale basis; and
- (iii) The aforesaid purchase transactions will be undertaken by an indirect wholly owned subsidiary of Akzo Nobel N.V. (the ultimate holding company of the Company), proposed to be incorporated in India (“**Purchaser**”)

The BOL contemplates signing of, *inter alia* the following documents, between the Company and the Purchaser, as part of the aforesaid transactions:

- (i) Business Transfer Agreement for the Powder Coatings undertaking; and
- (ii) Business Transfer Agreement for the International Research Centre.

We wish to inform you that based on the recommendations of the Audit Committee, the Board of Directors of the Company, at its meeting held on 24th February 2025, has approved the sale and transfer of the following business divisions of the Company, on a going concern basis, by way of a slump sale:

- (i) Powder Coating business undertaking of the Company, comprising the business of manufacturing, marketing, distribution, and sale of powder coating products in India and select geographies abroad (“**Powder Coatings Business**”) to the Purchaser, a related party of the Company; and

- (ii) International Research Centre (R&D) business undertaking of the Company, comprising the business of international research, development and innovation lab, situated in Bangalore, India, and conducted by the Company (“**International Research Centre (R&D) Business**”) to the Purchaser, a related party of the Company.

The Board Meeting commenced at 6:30 p.m. and concluded at 8:00 p.m.

Further, the details as required under Regulation 30 of the SEBI Listing Regulations read with SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 is enclosed herewith as Annexure - I.

This is for your information and record.

Thanking you,

Yours sincerely,

By Order of and for and on behalf of the Board of Directors of **Akzo Nobel India Limited**

Rajiv L. Jha
Company Secretary & Compliance Officer
Membership No. F5948

Encl: as above

ANNEXURE – I

Disclosure as per Regulation 30 of the SEBI Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024

S. No.	Particulars	Description																		
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year	<p>For the financial year ended 31st March 2024, the Powder Coatings and International Research Centre (R&D) divisions have contributed as follows to the annual consolidated turnover of Akzo Nobel India Limited (“Company” or “Seller”) (amounting to Rs. 39,366.8 million) for the financial year ended 31st March 2024:</p> <table border="1"> <thead> <tr> <th>Turnover/Revenue/Income</th> <th>Powder Coatings</th> <th>IRC (R&D)</th> </tr> </thead> <tbody> <tr> <td>Revenue from Operations (INR mn)</td> <td>4,212.6</td> <td>535.0</td> </tr> <tr> <td>Revenue from Operations %</td> <td>10.70%</td> <td>1.36%</td> </tr> </tbody> </table> <p>For the financial year ended 31st March 2024, the Powder Coatings and International Research Centre (R&D) divisions have contributed as follows to the net worth of the Company (amounting to Rs. 13,292 million) for the financial year ended 31st March 2024:</p> <table border="1"> <thead> <tr> <th>Net worth</th> <th>Powder Coatings</th> <th>IRC (R&D)</th> </tr> </thead> <tbody> <tr> <td>Net worth (INR mn)</td> <td>1459.5</td> <td>63.3</td> </tr> <tr> <td>Net worth %</td> <td>10.98%</td> <td>0.48%</td> </tr> </tbody> </table>	Turnover/Revenue/Income	Powder Coatings	IRC (R&D)	Revenue from Operations (INR mn)	4,212.6	535.0	Revenue from Operations %	10.70%	1.36%	Net worth	Powder Coatings	IRC (R&D)	Net worth (INR mn)	1459.5	63.3	Net worth %	10.98%	0.48%
Turnover/Revenue/Income	Powder Coatings	IRC (R&D)																		
Revenue from Operations (INR mn)	4,212.6	535.0																		
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Net worth	Powder Coatings	IRC (R&D)																		
Net worth (INR mn)	1459.5	63.3																		
Net worth %	10.98%	0.48%																		
2.	Date on which the agreement for sale has been entered into	<p>The Board of Directors of the Company approved the slump sale of the Powder Coatings Business (PCB) division and International Research Centre (R&D) division of the Company to an indirect wholly owned subsidiary of Akzo Nobel N.V. (ultimate holding company of Akzo Nobel India Limited) proposed to be incorporated in India (“Purchaser”), a related party of the Company, for a consideration of INR 20730 Million and INR 700 Million, respectively. The transaction will be carried out through separate business transfer agreements (“Business Transfer Agreements”). The closing under each Business Transfer Agreement will be subject to customary closing conditions.</p>																		

		<p>The Company has received a Binding Offer Letter (dated 24th February 2025) from Akzo Nobel N.V. with customary conditions as detailed therein and mentioned below for purchase of Powder Coatings Business and International Research Centre (R&D) Business by the Purchaser.</p> <p>Each Business Transfer Agreement will be executed after receipt of (i) approval of the audit committee, board of directors and shareholders of the Company; and (ii) approval of supervisory board of Akzo Nobel N.V.</p> <p>If Akzo Nobel N.V. fails to obtain the approval of its supervisory board by May 1, 2025, despite Company having obtained approval of its shareholders, Akzo Nobel N.V. will reimburse the Company for all the costs and expenses incurred in relation to the evaluation, negotiation, and approval processes with respect to the proposed transactions, including but not limited to costs of the valuers and its external legal advisors.</p>
3.	The expected date of completion of sale/disposal	Each slump sale transaction is expected to complete on or before 31 st December 2025, subject to receipt of shareholders, regulatory, statutory and other approvals, as may be applicable.
4.	Consideration received from such sale/disposal	<p>The consideration for sale of Powder Coatings Business and International Research Centre (R&D) division is INR 20730 million and INR 700 million, respectively, subject to adjustments in accordance with the terms of the Business Transfer Agreements.</p> <p>Under the Business Transfer Agreement for the Powder Coatings Business ("Powder Coatings BTA"), any downward adjustment to the purchase consideration will be capped at INR 240,000,000 and upward adjustment to the purchase consideration will be uncapped.</p> <p>Under the Business Transfer Agreement for the International Research Centre (R&D) Business ("International Research Centre BTA"), any downward adjustment to the purchase consideration will be capped at INR 10,000,000 and upward adjustment to the purchase consideration will be uncapped.</p>
5.	Brief details of buyers and whether any of the buyers belong to the promoter/	<p><u>Details of Purchaser</u></p> <p>Purchaser, upon its incorporation, will be an indirect</p>

	promoter group/group companies. If yes, details thereof	wholly owned subsidiary of Akzo Nobel N.V. (the ultimate promoter/holding company of the Company), thus belonging to the promoter group/group company of the Company.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Yes, the proposed transactions of slump sale of the Powder Coatings Business (PCB) and International Research Centre (R&D) divisions would fall within related party transactions and these would be at arm's length.
7.	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with Regulation 37A of LODR Regulations	<p>The proposed slump sale transactions do not form part of any Scheme of Arrangement. These slump sale transactions are proposed to be undertaken through separate Business Transfer Agreements to be executed between the Company and the Purchaser (a promoter group company/ related party).</p> <p>Each of the Powder Coatings Business (PCB) division and International Research Centre (R&D) division, do not constitute an undertaking in terms of Section 180 of the Companies Act, 2013. However, as a good corporate governance measure, necessary approvals under Section 180 of the Companies Act, 2013 and Regulation 37A of the SEBI Listing Regulations are proposed to be obtained.</p> <p>Further, necessary disclosures required as per Regulation 37A of the SEBI Listing Regulations shall be made in the Notice of Postal Ballot for obtaining approval of the shareholders for sale of Powder Coatings Business (PCB) division and International Research Centre (R&D) division.</p>
	<i>Additionally, in case of a slump sale, indicative disclosures provided for amalgamation / merger, shall be disclosed by the listed entity with respect to such slump sale.</i>	Indicative disclosures required are provided hereunder:
8.	Name of the entity(ies) forming part of the slump sale, details in brief such as, size, turnover etc.	Please refer to responses in S. Nos. 1 and 2 above.
9.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"	Please refer to response in S. No. 6 above.
10.	Area of business of the entity(ies)	<p>Business of the Company (Akzo Nobel India Limited)</p> <p>Akzo Nobel India Limited is engaged in the business of manufacturing, marketing and sale</p>

		<p>spreading across decorative paints, lacquers and varnishes. It is a leading supplier of performance coatings with strong product technologies and brands, commercial vehicle refinishers and original equipment manufacturers (OEMs) around the world. It also produces essential coatings for metal construction, appliance and automotive components, and advanced packaging coatings and inks for food, beverage and general line cans. Marine & Protective Coatings find applications in a variety of high end-industries including Oil & Gas, Power, Infrastructure projects and Wind Energy. It also provides related services and activities, including research and development services in India, Regional Exports and operating RD&I Lab through International Research Centre (IRC). The registered office of the Company is situated at 801A, South City Business Park, 770, Anandapur, Eastern Metropolitan Bypass, Near Fortis Hospital, Kolkata – 700 107, India. The Company has factories in Bangalore, Thane, Hyderabad, Mohali, and Gwalior; sales offices across India, and corporate office in Gurgaon.</p> <p>Business of the Purchaser</p> <p>The Purchaser, upon its incorporation, will be an indirect wholly owned subsidiary of Akzo Nobel N.V. As it is yet to be incorporated, it does not have any business operations.</p>
<p>11.</p>	<p>Rationale for slump sale</p>	<p>The rationale underpinning the aforesaid sale of the Powder Coatings Business is to streamline the Company's business, thereby allowing it to strengthen its position in its liquid paints and coatings business while divesting its existing non-core assets (relating to powder coatings business) which do not provide material synergies. The aforesaid sale creates a more focused, efficient, and strategically aligned company with a clear roadmap for long-term value creation and success.</p> <p>Powder Coatings represent a fundamentally different technology from liquid coatings, requiring separate R&D, manufacturing and application techniques. The Powder Coatings Business also operates with distinct raw materials and technical service requirements, limiting operational and commercial synergies with the Company's liquid paints and coatings portfolio which adds complexities without directly contributing to the Company's core growth strategy. As the Indian coatings markets evolves over the years, the liquid paints and coatings verticals present significant</p>

		<p>growth opportunities, making it imperative for the Company to sharpen its focus and scale its liquid coatings business.</p> <p>Through the aforesaid sale, the Company would secure a stronger and more sustainable future, sharpening its focus on liquid paints and coatings while unlocking financial and strategic flexibility to drive long-term shareholders value.</p> <p>The divestment of the International Research Centre (“IRC”) operations would enable the Company to focus entirely on its own business rather than operating a center for the benefit of its global parent. Inflationary pressures including labor costs and increased operational complexities tied to the IRC make maintaining these operations in a longer term less efficient. By simplifying the Company’s structure, the proposed sale of IRC operations reduces administrative overhead, enhances execution efficiency, and allows for greater autonomy in decision-making of the Company.</p>
12.	In case of cash consideration – amount or otherwise share exchange ratio	The consideration for sale of Powder Coatings Business and International Research Centre (R&D) division is INR 20730 million and INR 700 million respectively, subject to adjustments in accordance with the terms of the Business Transfer Agreements.
13.	Brief details of change in shareholding pattern (if any) of listed entity.	There will be no change in the shareholding pattern of the Company pursuant to both the proposed slump sale transactions.
	Additionally, since each Business Transfer Agreement contains non-compete provisions, the following additional disclosures are being made:	
	<i>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements.</i>	
14.	If the listed entity is a party to the agreement, details of the counterparties (including name and relationship with the listed entity)	Yes, the listed entity is a party to the two Business Transfer Agreements. Brief details of the Purchaser and its relationship with the listed company are set out under S. No. 5 above.

15.	<p>If listed entity is not a party to the agreement,</p> <p>i. name of the party entering into such an agreement and the relationship with the listed entity;</p> <p>ii. details of the counterparties to the agreement (including name and relationship with the listed entity);</p> <p>iii. date of entering into the agreement.</p>	<p>Not applicable in light of response in S. No. 14 above.</p>
16.	<p>Purpose of entering into the agreement</p>	<p>Please refer to response in S. No. 2 above.</p>
17.	<p>Shareholding, if any, in the entity with whom the agreement is executed</p>	<p>Not applicable.</p>
18.	<p>Significant terms of the agreement (in brief)</p>	<p><u>Powder Coatings BTA</u></p> <p>The powder coatings business comprises business of manufacturing, marketing, distribution, and sale of powder coating products in India and select geographies abroad undertaken by the Company. The Powder Coatings Business will be transferred as a going concern on a slump sale basis.</p> <p>The Powder Coatings Business will be transferred to the Purchaser for a lump sum consideration of INR 20730 million, excluding all applicable taxes, subject to post-closing adjustments as set out in the Powder Coatings BTA. Under the Powder Coatings BTA, any downward adjustment to the purchase consideration will be capped at INR 240,000,000 and upward adjustment to the purchase consideration will be uncapped.</p> <p>The Company is giving limited representations and warranties, and it has no obligation to indemnify the Purchaser under the said agreement. The transaction costs to be incurred pursuant to the Powder Coatings BTA will be borne by the Purchaser.</p> <p><u>International Research Centre BTA</u></p> <p>The International Research Centre (R&D) business comprises business of international research, development and innovation lab owned and conducted by the Company. The International Research Centre (R&D) Business will be</p>

		<p>transferred as a going concern on a slump sale basis.</p> <p>The International Research Centre (R&D) Business will be transferred to the Purchaser for a lump sum consideration of INR 700 million, excluding all applicable taxes, subject to post-closing adjustments as set out in the International Research Centre BTA. Under the International Research Centre BTA, any downward adjustment to the purchase consideration will be capped at INR 10,000,000 and upward adjustment to the purchase consideration will be uncapped. The Company is giving limited representations and warranties, and it has no obligation to indemnify the Purchaser under the said agreement. The transaction costs to be incurred pursuant to the International Research Centre BTA will be borne by the Purchaser.</p>
19.	Extent and the nature of impact on management or control of the listed entity	Not applicable as there will be no change in control or management of the Company.
20.	Details and quantification of the restriction or liability imposed upon the listed entity	<p>The proposed Business Transfer Agreements impose a non-compete restriction on the Company.</p> <p><u>Powder Coatings Business</u></p> <p>The proposed Powder Coatings Business Transfer Agreement contains non-compete provisions, restricting the Company from conducting any business that competes with or is similar to the Powder Coatings Business within the territory (i.e., geographical areas in which the Company conducts, manages, or operates the Powder Coatings Business) for a period of 36 months, commencing from the date the Company ceases to be an affiliate of Akzo Nobel N.V. The non-compete restriction cannot be quantified.</p> <p><u>International Research Centre (R&D) Business</u></p> <p>The proposed International Research Centre (R&D) Business Transfer Agreement contains non-compete provisions, restricting the Company from conducting any business that competes with or is similar to the International Research Centre (R&D) Business within the territory (i.e., geographical areas in which the Company conducts, manages, or operates the International Research Centre (R&D) Business) for a period of 36 months, commencing from the date the Company ceases to be an affiliate of Akzo Nobel N.V. The non-compete restriction cannot be quantified.</p>

21.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	Please refer to response in S. No. 5 above.
22.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	Please refer to response in S. No. 6 above.
23.	In case of issuance of shares to the parties, details of issue price, class of shares issued;	Not applicable.
24.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	Not applicable, as no such director on Board of Directors of the Company.
25.	In case of rescission, amendment or alteration, listed entity shall disclose additional details to the stock exchange(s): i. name of parties to the agreement; ii. nature of the agreement; iii. date of execution of the agreement; iv. details and reasons for amendment or alteration and impact thereof (including impact on management or control and on the restriction or liability quantified earlier); v. reasons for rescission and impact thereof (including impact on management or control and on the restriction or liability quantified earlier).	Not applicable.