

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 (“**the Company**”) has received a Binding Offer letter (dated 24th February 2025) from Akzo Nobel N.V., the ultimate holding/promoter company of the Company (“**BOL**”) with customary conditions as detailed in the annexure attached herewith, *inter alia*, for sale and transfer, by Akzo Nobel Coatings International B.V. (“**Seller**”) to the Company, of all intellectual property rights of the Seller in relation to the Company’s decorative paints business in India, Bangladesh, Bhutan and Nepal.

The BOL contemplates signing of, *inter alia*, an Intellectual Property Sale and Transfer Agreement between the Company and Seller as part of the aforesaid transaction.

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 acquisition by the Company of the aforesaid intellectual property, including trademarks with goodwill, copyright, patents, domain names, business know-how and associated proceedings, on an arms’ length basis, from its holding/promoter company, namely Akzo Nobel Coatings International B.V., 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
5. Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof:		
1.	Name(s) of parties with whom the agreement is entered	The agreement is between the Company and Akzo Nobel Coatings International B.V. (“ Seller ”)
2.	Purpose of entering into the agreement	<p>The Company will execute an Intellectual Property Sale and Transfer Agreement (“IPSTA”) with the Seller. The purpose of the IPSTA is acquisition by the Company of intellectual property pertaining to the decorative paints business of the Company, including trademarks with goodwill, copyright, patents, domain names, business know-how and associated proceedings. Such intellectual property is already being used by the Company as on date pursuant to a licensing arrangement.</p> <p>The acquisition of the intellectual property pertaining to the decorative paints business would:</p> <ul style="list-style-type: none"> - establish the Company’s technological independence in its core business of liquid paints and coatings and reduce dependence on the Seller; - eliminate ongoing royalty payments to the Seller for the intellectual property being purchased; and - enhance margins and cash flow.
3.	Size of agreement	<p>The purchase consideration for the acquisition of intellectual property pertaining to decorative paints business of the Company is INR 11520 million.</p> <p>The Company has obtained independent valuation reports from:</p> <p>(i) KPMG Valuation Services LLP, independent valuer having registration number IBBI/RV/E/06/2020/115 (“KPMG”); and</p>

		<p>(ii) GT Valuation Advisors Private Limited, independent valuer having registration number IBBI/RV-E/05/2020/134 (“GT”).</p> <p>The proposed purchase consideration is lower of the two valuations for acquisition of intellectual property pertaining to decorative paints business as per the valuation reports from KPMG and GT.</p>
4.	Shareholding, if any, in the entity with whom the agreement is executed	Not Applicable. The Seller is Akzo Nobel Coatings International B.V, the holding/promoter company of the Company and holds 24.30% shareholding in the Company.
5.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	Not applicable.
6.	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. 4 above.
7.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	Yes, the proposed acquisition of intellectual property pertaining to decorative paints business of the Company is a related party transaction. The acquisition will be at arm’s length. Relevant corporate approvals for the transaction will be obtained in due course.
8.	In case of issuance of shares to the parties, details of issue price, class of shares issued	Not applicable.
9.	In case of loan agreements, details of lender/borrower, nature of the loan, total amount of loan granted/taken, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders / by the borrowers for such loan or in case outstanding loans lent to a party or borrowed from a party become material on a cumulative basis	Not applicable.
10.	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.
11.	In case of termination or amendment of agreement, listed	Not applicable.

	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 of amendment and impact thereof or reasons of termination and impact thereof.	
	Additionally, since the IPSTA contains certain restrictive provisions applicable on the listed entity, the following additional disclosures are being made:	
	<i>5A. 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>	
12.	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 IPSTA. It is the purchaser under the IPSTA. The seller under the IPSTA is Akzo Nobel Coatings International B.V, the holding/promoter company of the Company.
13.	If listed entity is not a party to the agreement, i. name of the party entering into such an agreement and the relationship with the listed entity; ii. details of the counterparties to the agreement (including name and relationship with the listed entity); iii. date of entering into the agreement.	Not applicable in light of response in S. No. 12 above.
14.	Purpose of entering into the agreement	Please refer to response in S. No. 2 above.
15.	Shareholding, if any, in the entity with whom the agreement is executed	Not applicable.
16.	Significant terms of the agreement (in brief)	<ul style="list-style-type: none"> 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 the proposed transaction. As per the aforesaid binding offer letter, The IPSTA will be executed after receipt of (i) approval of the audit committee, board of directors and shareholders of the Company; and (ii)

		<p>approval of supervisory board of Akzo Nobel N.V.</p> <ul style="list-style-type: none"> • 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 transaction, including but not limited to costs of the valuers and its external legal advisors. • The proposed IPSTA will be effective on an irrevocable and perpetual basis and cannot be terminated unilaterally. • The Company is obtaining limited representations and warranties from the Seller relating to the IP being purchased under the agreement. • The IPSTA contains mutual indemnification provisions for any material breach of the agreement by either party. • The aggregate liability of both parties under the agreement, except for fraud, is limited to 100% of the purchase consideration. • The Company will be subject to certain post-transfer restrictions under the IPSTA, in view of the fact that the Seller and its affiliates use the intellectual property pertaining to decorative paints business outside the Territory (i.e., India, Bangladesh, Bhutan and Nepal). Further details of the restrictions imposed on the Company are provided in S. No. 18 below. • All costs relating to any recordals and transfers pursuant to the Proposed IPSTA, and stamp duty and other fees on the same shall be borne by the Company.
<p>17.</p>	<p>Extent and the nature of impact on management or control of the listed entity</p>	<p>Not applicable.</p>

<p>18.</p>	<p>Details and quantification of the restriction or liability imposed upon the listed entity</p>	<p>Some key post-transfer restrictions applicable on the Company under the IPSTA include:</p> <ul style="list-style-type: none"> • restriction on marketing or selling any products or services bearing, containing or manufactured with any part of the intellectual property outside the Territory (i.e., India, Bangladesh, Bhutan and Nepal). • maintaining a high level of quality of the products bearing, offered and/or sold under or in connection with the transferred trademarks, • complying with the practices and at least the same level of standards which were applicable to the Company immediately prior to the transaction, • comply with, all the applicable relevant laws within the Territory (i.e., India, Bangladesh, Bhutan and Nepal) with respect to manufacturing and sale of products bearing the transferred intellectual property, • notify the Seller of any actual, suspected or claimed defect in any product bearing, containing or manufactured with transferred intellectual property, including any defects in instructions, if such defect has led, may lead or is claimed to have led to any physical injury, death, third-party claims or recalls, and/or damage to the reputation of the parties, • the Company can only transfer the intellectual property acquired under the agreement to a third party after providing written notice to the Seller / obtaining consent from the Seller (depending on identity of the proposed transferee), and the third-party transferee having provided to the Seller an acceptance notice in a pre-agreed form. • All costs relating to any recordals and transfers pursuant to the Proposed
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		<p>IPSTA, and other fees on the same shall be borne by the Company.</p> <p>The aforesaid restrictions cannot be quantified. However, the indemnity obligation of both parties under the IPSTA is capped at 100% of the purchase consideration (other than for fraud).</p>
19.	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. 6 above.
20.	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. 7 above.
21.	In case of issuance of shares to the parties, details of issue price, class of shares issued	Not applicable.
22.	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.	Please refer to response in S. No. 10 above.
23.	<p>In case of rescission, amendment or alteration, listed entity shall disclose additional details to the stock exchange(s):</p> <p>i. name of parties to the agreement;</p> <p>ii. nature of the agreement;</p> <p>iii. date of execution of the agreement;</p> <p>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);</p> <p>v. reasons for rescission and impact thereof (including impact on management or control and on the restriction or liability quantified earlier).</p>	Not applicable.