

3rd March, 2023

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| 1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001. | 2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051 |
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Sub.: Acquisition of shares of Nerofix Private Limited by Kansai Nerolac Paints Limited from Polygel Industries Private Limited

- Ref.: 1. Regulation 30 (read with Schedule III - Part A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**
- 2. Scrip Codes : BSE - 500165, NSE - KANSAINER**

Dear Sirs,

This is in furtherance to the following intimations with respect to the Joint Venture between Kansai Nerolac Paints Limited (“KNPL”) and Polygel Industries Private Limited (“Polygel”) i.e.

1. Letter dated 7th May, 2019 addressed by KNPL to the Stock Exchanges with respect to the Joint Venture Agreement dated 7th May, 2019 between KNPL and Polygel (“said JVA”);
2. Letter dated 21st August, 2019 addressed by KNPL to the Stock Exchanges with respect to the Business Transfer Agreement dated 21st August, 2019 between Nerofix Private Limited (“Nerofix”) i.e. the Joint Venture Company incorporated in terms of the said JVA, Polygel, Promoters of Polygel and KNPL; and
3. Letter dated 23rd January, 2020 to the Stock Exchanges intimating acquisition of 1,20,00,000 Equity Shares (60% of total shareholding) of Rs.10 each of Nerofix Private Limited by KNPL.

We wish to inform you that the Board of Directors at their meeting held today, Friday, 3rd March, 2023 has approved acquisition of shares (40% of the total shareholding) of Nerofix from Polygel. Consequent to the said acquisition of shares, Nerofix Private Limited will become a wholly owned (100%) subsidiary of Kansai Nerolac Paints Limited.

The details required in terms of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, are mentioned below:

Sr. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.	Nerofix Private Limited (“Nerofix”) a company incorporated in India, with a net revenue of Rs.110,41.68 Lakhs for the financial year ended 31 st March 2022.
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”	No. The promoter / promoter group / group companies of Kansai Nerolac Paints Limited (“KNPL”) have no interest in Nerofix.
3.	Industry to which the entity being acquired belongs	Construction Chemicals, Adhesives and Sealants.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	The acquisition will provide benefits of synergy and growth to KNPL. Consequent to the acquisition of 40% of shareholding of Nerofix from Polygel, Nerofix will become a wholly owned subsidiary of KNPL.
5.	Brief details of any governmental or regulatory approvals required for the acquisition.	None
6.	Indicative time period for completion of the acquisition.	The acquisition is expected to be completed by 31st March, 2023.
7.	Nature of consideration - whether cash consideration or share swap and details of the same.	Cash consideration
8.	Cost of acquisition or the price at which the shares are acquired;	Rs. 37 Crores.

9.	Percentage of shareholding / control acquired and / or number of shares acquired	80,00,000 Equity Shares of Rs.10 each i.e. 40% of the total shareholding of Nerofix is being acquired. Post acquisition the Company will hold 2,00,00,000 Equity Shares of Rs.10 each.									
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>Nerofix was established as a joint venture between Polygel Industries Private Limited and Kansai Nerolac Paints Limited.</p> <p>It manufactures a wide range of construction chemicals and adhesives and distributes them through its network of distributors in India and South Asia.</p> <p>The Net Revenue of Nerofix for last 3 financial years is as follows:</p> <table data-bbox="786 817 1402 927"> <tr> <td>FY 2021-22</td> <td>-</td> <td>Rs. 110,41.68 Lakhs</td> </tr> <tr> <td>FY 2020-21</td> <td>-</td> <td>Rs. 69,97.53 Lakhs</td> </tr> <tr> <td>FY 2019-20 (4 months)</td> <td>-</td> <td>Rs. 22,89.62 Lakhs.</td> </tr> </table>	FY 2021-22	-	Rs. 110,41.68 Lakhs	FY 2020-21	-	Rs. 69,97.53 Lakhs	FY 2019-20 (4 months)	-	Rs. 22,89.62 Lakhs.
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FY 2020-21	-	Rs. 69,97.53 Lakhs									
FY 2019-20 (4 months)	-	Rs. 22,89.62 Lakhs.									

The above is for your information and record.

Thanking you,

For **KANSAI NEROLAC PAINTS LIMITED**

G. T. GOVINDARAJAN
COMPANY SECRETARY