

APL/SEC/31/2022-23/02

1<sup>st</sup> April, 2022

BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
25<sup>th</sup> Floor, Dalal Street,  
Fort, Mumbai – 400 001  
Scrip Code: 500820

National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1,  
Block G, Bandra – Kurla Complex,  
Bandra (East),  
Mumbai – 400 051  
Symbol: ASIANPAINT

Sir/Madam,

**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

This is to inform you that, the Company has, today, entered into the Shareholders Agreement and Share Subscription Agreement with the promoters of Weatherseal Fenestration Private Limited (hereinafter referred to as “Weatherseal Fenestration”), Mr. Harish Munireddy and Ms. Pratibha SB and Weatherseal Fenestration, for, *inter alia*, infusion of Rs. 19 crores (approx.) for 51% stake by subscription to equity share capital of Weatherseal Fenestration, subject to customary closing adjustments and conditions precedent.

In accordance with the Shareholders Agreement and the Share Subscription Agreement, the Company has agreed to acquire further stake of 23.9% in Weatherseal Fenestration from its promoter shareholders, in a staggered manner, over the next 3 years period.

It is also informed that out of 23.9% stake to be acquired in Weatherseal Fenestration: (i) 13.9% stake would be acquired during the FY 2024 – 25; and (ii) 10% stake would be acquired during the FY 2025 – 26. The enterprise value that would be used to compute the consideration for acquisition would be derived at a multiple of 1.5 times the net revenue of Weatherseal Fenestration or 15 times its EBITDA, whichever is lower. The revenue and EBITDA will be based on the financial year prior to the year of acquisition.

Weatherseal Fenestration has been incorporated in March, 2022 and would be engaged in the business of interior decoration/furnishing, including manufacturing uPVC Windows and door systems.

The required information under Regulation 30 read with the SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015, is appended as **Annexure A**.





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[www.asianpaints.com](http://www.asianpaints.com)

None of the related parties of the Company, including the Director(s) and/or Key Managerial Personnel(s) of the Company are concerned or interested in this transaction.

Please find attached a Press Release on the subject.

The Company will be holding a call with the investors, today at 5:00 pm (IST), to brief on the said transaction.

Further details of the call are available on the Company's website ([www.asianpaints.com](http://www.asianpaints.com)).

Thanking you,

Yours truly,

For **ASIAN PAINTS LIMITED**



**R J JEYAMURUGAN**  
**CFO & COMPANY SECRETARY**

*Encl.: as above*



**ANNEXURE A**

**Disclosure of information pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015**

Sl. No.	Particulars	Disclosure
1.	Name of the target entity	Weatherseal Fenestration Private Limited (hereinafter referred to as "Weatherseal Fenestration").
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 None of the Promoter(s) / persons belonging to the Promoter(s) Group and/or group companies are concerned or interested in this transaction.
3.	Industry to which the entity being acquired belongs	Weatherseal Fenestration Private Limited is a company incorporated in March, 2022 and would be engaged in the business of interior decoration/furnishing, including manufacturing uPVC Windows and door systems.  The existing promoters of Weatherseal Fenestration, Mr. Harish Munireddy and Ms. Pratibha SB, have been in the same line of business for the past 7 years under the brand name 'Weatherseal' through a Limited Liability Partnership firm, Pratan Fenestration LLP, with the last reported revenue of Rs. 8.3 crores. Going forward, the Promoters would be carrying out the business through Weatherseal Fenestration.
4.	Objects and effects of acquisition ( <i>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</i> )	The acquisition of a majority stake in Weatherseal Fenestration and the Company's partnership with the promoters, Mr. Harish Munireddy and Ms. Pratibha SB, would be a step forward in the Company's foray of being a complete home décor solution provider.  Post-acquisition, Weatherseal Fenestration will be a subsidiary of the Company.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	NA



6.	(i) Indicative time period for the completion of the acquisition.  (ii) Cost of acquisition or the price at which the shares are acquired	<p>In accordance with the Shareholders Agreement and the Share Subscription Agreement, the Company would be infusing Rs. 19 crores (approx.) for acquisition of 51% of the equity share capital of Weatherseal Fenestration.</p> <p>The Company has agreed to acquire further stake of 23.9% in Weatherseal Fenestration over the next three (3) years period.</p> <p>Out of 23.9% stake to be acquired in Weatherseal Fenestration: (i) 13.9% stake would be acquired during the FY 2024 – 25; and (ii) 10% stake would be acquired during the FY 2025 – 26 for a consideration derived at a multiple of 1.5 times the net revenue of Weatherseal Fenestration or 15 times its EBITDA, whichever is lower. The revenue and EBITDA will be based on the financial year prior to the year of acquisition.</p>
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash
8.	Percentage of shareholding / control acquired and / or number of shares acquired	The Company would be subscribing to 51% of the equity share capital of Weatherseal Fenestration and other acquisitions as per Sl. No. 6 above.
9.	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>Brief details of Weatherseal Fenestration are given below:</p> <p>(a) Products/line of business of the target entity: as stated above in Sl. No. 3          (b) Date of incorporation: 9<sup>th</sup> March, 2022          (c) Last 3 years' turnover: NA          (d) Country of operations – India          (e) Net worth as on 31<sup>st</sup> March, 2021: NA</p>



## Press release on acquisition of stake in Weatherseal

**Mumbai, April 1, 2022:** Asian Paints, today, entered into definitive agreements with the promoters of Weatherseal Fenestration Private Limited (hereinafter referred to as “Weatherseal Fenestration”), Mr. Harish Munireddy and Ms. Pratibha SB, for, *inter alia*, infusion of Rs. 19 crores for 51% stake by subscription to equity share capital of Weatherseal Fenestration, subject to customary closing adjustments and conditions precedent. It is also agreed to acquire additional 23.9% stake in Weatherseal Fenestration from its promoters, in a staggered manner, over the next 3 years.

Harish Munireddy is an IT professional with extensive experience of more than 12 years across various roles in blue chip IT companies. He has leveraged his experience towards building a strong tech-enabled platform that has facilitated Weatherseal to provide a seamless customer experience in a scalable way. Started 7 years back, Weatherseal has consistently delivered high quality, efficient uPVC windows and doors backed by robust customer-service to build a reputed brand in South India.

Asian Paints, with its vision of becoming the most inspirational home décor brand, empowering the consumer to create her dream homes, is extremely happy to partner and associate with Weatherseal Fenestration. Asian Paints is moving strategically from ‘Share of Surface’ to ‘Share of Space’ within homes and wants to be a part of the customer life cycle of home makeover. Windows and Doors space is vital for fulfilling the home décor aspirations of homeowners and Asian Paints intends to leverage the expertise of Weatherseal Fenestration and its promoters, delivering solutions with unique value propositions to its customers. The size of the current market is more than Rs. 11,000 crs and the market share of organised players is about 40%. Therefore, the potential to innovate and enter this market is immense.

Mr. Harish Munireddy would be the Chief Executive Officer and Ms. Pratibha SB would be the Chief Operating Officer at Weatherseal Fenestration, leading further credence to this association with Asian Paints.

“Weatherseal is one of the leading brands in uPVC Windows and Doors space and have established reputable presence in the retail and project customer segment, primarily in South India. As part of our endeavour to be an integral part of the home décor business, we find this space attractive in the retail and B2B market segment. This association will enable us to widen our offerings in the home décor space. We look forward to working with Weatherseal to take the business further”, commented Mr. Amit Syngle, MD & CEO of Asian Paints Ltd.

“I have leveraged my learnings from my IT career towards making Weatherseal a customer-focused, scalable organization. We are delighted to embark on this journey and be a part of the Asian Paints family. This partnership will help us maximise the business potential, leveraging on the wide network presence and customer connect of Asian Paints”, quoted Mr. Harish Munireddy, CEO of Weatherseal Fenestration.

EY (Ernst & Young LLP) acted as the financial advisors to Asian Paints for this transaction.



**About Asian Paints Limited:**

*Asian Paints is India's leading paint company and ranked among the top ten Decorative coatings companies in the world with a consolidated turnover of ₹ 21,712.79 crores (₹ 217 billion). Asian Paints along with its subsidiaries have operations in 15 countries across the world with 26 paint manufacturing facilities, servicing consumers in over 60 countries through Asian Paints, Apco Coatings, Asian Paints Berger, Asian Paints Causeway, SCIB Paints, Taubmans and Kadisco Asian Paints. Asian Paints is also present in the Home Improvement and Décor space in India.*

