

JKCL/CS/SE/2023(Press release)

22<sup>nd</sup> December, 2022

<b>The Bombay Stock Exchange Ltd.</b> Corporate Relationship Department, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001 Scrip Code:532644 (ISIN.INE 823G01014) Through BSE Listing Centre	<b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 Scrip Code: JKCEMENT (ISIN.INE 823G01014) Through : NEAPS
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Sub: Press Release – JK Cement Ltd proposes to acquire shares of Acro Paints Limited through its wholly owned subsidiary M/s. JK Paints and Coatings Limited.

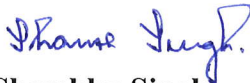
Dear Sirs,

JK Cement Ltd ('the Company') is delighted to inform that the Company through its wholly owned subsidiary M/s. JK Paints and Coatings Ltd proposes to initially/at first tranche invest an amount of INR 153 Crores (Rupees One Hundred and Fifty Three Crore Only) for acquiring 60% equity shares of M/s. Acro Paints Limited. Once acquired separate/detailed information with Annexure (as prescribed by SEBI) would be filed.

**A copy of the Press Release being issued to the media, etc. in this regard is enclosed for your kind reference and record please.**

Thanking you,

Yours faithfully,  
For **J.K. Cement Ltd.**



**Shambhu Singh**  
Vice President (Legal) & Company Secretary  
FCS: 5836



Corporate Office

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**JK SUPER**  
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BUILD SAFE

JK CEMENT  
**WallMax X**  
White Cement Wall Putty

Manufacturing Units at :  
Nimbahera, Mangrol, Gotan (Rajasthan) | Muddapur (Karnataka)  
Jharli (Haryana) | Katni (M.P.) | Aligarh (U.P.) | Balasinor (Gujarat)



## PRESS RELEASE

### JK Paints and Coatings Enters into a Definitive Agreement to Acquire 60% Stake in Acro Paints for Rs 153 crore

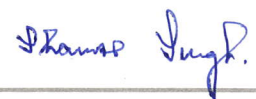
- Remaining 40% shall be acquired over a period of 12 months as per the definitive agreement entered between the parties.
- Acro's high-quality product portfolio comprising over 3,000+ SKUs and manufacturing capability combined with JK Cement's channel and influencer presence will unleash significant value.
- Additionally, it also provides entry into the growing vertical of construction chemicals

**New Delhi 22 December 2022:** JK Paints and Coatings Ltd., (wholly owned subsidiary of JK Cement Ltd.) has entered into a share purchase agreement with Acro Paints Ltd. and its shareholders to acquire 60% controlling stake in the company. Acro Paints is a leading manufacturer in Northern India, of Architectural and High-performance paints and coatings. This acquisition is a step towards fast-tracking JK Cement's entry into the paints business, expanding its product offerings and potentially foray into new markets.

The acquisition of Acro Paints brings strong manufacturing capabilities and comprehensive product formulations, which will scale up to meet the business plan objectives for JK Paints & Coatings over the next few years.

Commenting on this development, **Dr. Raghavpat Singhania, Managing Director – JK Cement Ltd.** said "We are excited about this acquisition as we believe it will create adjacencies that will act as a key driver of our growth. We are pleased with continued association of Acro's promoters - Mr. Charanjeet Gaind & Mr. Ashok Gaind for the next one year which will provide an opportunity for us to gain from their rich experience. Both are considered pioneers in the Indian Paint Industry. They will also continue to remain on the board of Acro Paints Ltd. and will contribute towards a shared vision. We are committed to ensuring a smooth and successful integration of our businesses and are excited to bring our combined expertise and experience to the table. The current capacity is undergoing expansion and is expected to be completed in the second quarter of FY24."

JK Cement is the leading manufacturer of wall putty in India and this segment has a significant overlap with the Paint Industry. Acquiring a financially strong company like Acro with zero debt and healthy margins is a strategic move for JK Cement to leverage the strengths of its putty distribution network, thereby utilizing the synergies created thereof. The pan India distribution network of JK Cement comprising of 1,00,000 dealers, 75,000 influencers & 1,500 distributors bolstered with Acro's distribution network will enable the company to reach a wider market ensuring ready accessibility to customers in the region.



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Adding to the announcement, **Mr. Madhavkrishna Singhania, Dy. MD and CEO, JK Cement Ltd.** said "We have a focused launch plan to gradually deepen our presence in our strong markets over the next few years, and have identified specific geographic, product, and channel niches where we will dominate. We will leverage the strengths of both our brands as we expand our presence in the Paint Industry. We believe Acro is synergistic with our portfolio and will help us comprehensively address the fastest-growing paint and putty segment".

Acro Paints Ltd., incorporated in 1989, with its complete portfolio of decorative paints is also present in niche product categories of textured paints, construction chemicals and waterproofing products. It has gained significant experience in the industry over the past 30+ years. The company is a strong player in the Paint Industry, offering a wide range of products across all categories, including economy, premium, and luxury. With over 3000+ SKUs at various price points, they are able to serve the needs of customers across the spectrum.

**Mr. Charanjeet Gaind, MD - Acro Paints Ltd.** said "I am delighted with our association with JK Cement and its dynamic management team, who are the epitome of humility and passion, driving the next era of growth,". Dr. Raghavpat Singhania and Mr. Madhav Singhania are highly respected business leaders in India who share a deep commitment to our nation's growth, people, and communities. I would like to thank my colleagues who have played an essential role in the development of our business with their dedication and expertise. I am confident that JK Cement is the perfect home for them, our customers, and for our business to continue to thrive and grow."

Situated in Bhiwadi, Alwar District, in Delhi-NCR region, the company has two state-of-the-art manufacturing facilities with a post-expansion capacity of 60,000 KL in decorative & textured paints & 6,700 KL in construction chemicals. The ongoing capacity expansion is expected to be completed by Q2 FY24.

The acquisition will also provide an opportunity to foray into the growing vertical of construction chemicals & waterproofing products which has a current market size of 5000+ crore, growing at over 10% per annum.

The acquisition is subject to regulatory approvals and conditions.



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