



ATUL LTD

310-B, Veer Savarkar Marg, Dadar (West), Mumbai 400028, Maharashtra, India
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Email: atul_mum@atul.co.in Website: www.atul.co.in

December 09, 2016

The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001
SCRIP CODE: 500027

BSE Listing portal

The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza" C - 1, Block G
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051
SYMBOL: ATUL

NEAPS portal

Dear Sirs:

The Board of Directors of the Company in the meeting held on December 09, 2016 approved the entering into partnership between Atul Ltd or its affiliate with AkzoNobel Chemicals International B.V. subject to signing of the mutually acceptable Agreements and the required regulatory and other approvals. The prescribed details are as under:

5.1. name(s) of parties with whom the agreement is proposed to be entered;	Akzo Nobel Chemicals International B.V.
5.2. purpose of entering into the proposed agreement;	For setting up a manufacturing facility for Monochloro acetic acid at Atul, Valsad, India by incorporating a Limited Liability Partnership (LLP)
5.3. shareholding, if any, in the entity with whom the agreement is proposed to be executed;	Each party will hold 50% share in the LLP
5.4. 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.;	Each party will have equal rights to appoint Directors in the Managing Board of the LLP. Capital contribution will continue in the ratio of 50:50 in the normal course of business.
5.5. Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	No
5.6. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	No
5.7. in case of issuance of shares to the parties, details of issue price, class of shares issued;	No shares are involved. Parties will contribute to the capital of the LLP in the ratio of 50:50



Lalbhai Group

Head office: Atul 396020, Gujarat, India
Registered office: Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India
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<p>5.8. 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;</p>	<p>Each Party will have nomination in equal proportion in the Managing Board of the LLP. Usual customary clauses will be provided for resolution of deadlock, if any. Transactions will be at arm's length basis. The LLP will have two designated partners, nominated one by each partner</p>
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A draft Press release of even date is also enclosed in this regard.

This is for your information.

Thank you,

Yours faithfully
For Atul Limited

Lalit Patni
Company Secretary and
Chief Compliance Officer



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December 9, 2016

AkzoNobel and Atul to set up Indian MCA partnership

AkzoNobel and Atul have announced their intention to jointly invest in the production of monochloroacetic acid (MCA) in India, which will include setting up a world class MCA plant at Atul's facility in Gujarat. Each partner will hold a 50 percent stake.

The partnership will build on Atul's status as a leading global supplier of the herbicide 2,4-D (which uses MCA as a key raw material), and AkzoNobel's leading global position in MCA market, with plants in the Netherlands, China, Japan and the US. The investment is subject to regulatory approvals and signing of final agreements.

"AkzoNobel is committed to organic growth and this cooperation will contribute to our vision of driving profitable growth in emerging markets, with a strong and established local partner in Atul," said Knut Schwalenberg, Managing Director of AkzoNobel's Industrial Chemicals business.

Added Sunil Lalbhai, Chairman and Managing Director of Atul: "We are extremely passionate about the 'Make in India' initiative led by our Honourable Prime Minister, Shri Narendra Modi, and are delighted to partner with AkzoNobel to bring state-of-the-art, eco-friendly technology for MCA to India from a world class company."

The partnership will use chlorine and hydrogen manufactured by Atul to produce the MCA, taking advantage of both Atul's existing infrastructure and the leading eco-friendly hydrogenation technology supplied by AkzoNobel. From an initial annual capacity of 32 kilotons at start-up, the plant has been designed for future expansion to 60 kilotons. The plant will produce enough MCA to meet the captive requirement of Atul; AkzoNobel will market the rest of it, primarily in India.

MCA is an essential building block in the chemical industry and is used in a wide variety of chemicals. For example, AkzoNobel customers use MCA to produce thickening agents for the food, oil, mining, personal care and detergent industries. The product is also used in agrochemicals, adhesives, pharmaceuticals, thermo-stabilizers, surfactants and cosmetics.

About AkzoNobel

AkzoNobel creates everyday essentials to make people's lives more liveable and inspiring. As a leading global paints and coatings company and a major producer of specialty chemicals, we supply essential ingredients, essential protection and essential color to industries and consumers worldwide. Backed by a pioneering heritage, our innovative products and sustainable technologies are designed to meet the growing demands of our fast-changing planet, while making life easier. Headquartered in Amsterdam, the Netherlands, we have approximately 45,000 people in around 80 countries, while our portfolio includes well-known brands such as Dulux, Sikkens, International, Interpon and Eka. Consistently ranked as a leader in sustainability, we are dedicated to energizing cities and communities while creating a protected, colorful world where life is improved by what we do.

About Atul

Established in 1947 by a legendary Indian, Kasturbhai Lalbhai, Atul is the first private sector company of independent India to be inaugurated by its first Prime Minister, Pandit Jawaharlal Nehru. It is a diversified and an integrated company, meeting needs of about 30 varied industries across the world through its organisations in India and subsidiary companies in the USA, the UK, the UAE, Germany, China and Brazil. It is a part of Lalbhai Group, one of the oldest business houses of India with a rich legacy of conducting business with a larger purpose. It is serving the society in the areas of conservation, education, empowerment, health, infrastructure and relief since its inception.

Not for publication – for more information

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