

July 29, 2019

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| <p>1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.</p> | <p>2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051.</p> |
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Sub.: Scheme of Amalgamation of Marpol Private Limited and Perma Construction Aids Private Limited (wholly owned subsidiaries) with Kansai Nerolac Paints Limited

- Ref.: 1. Regulation 30 (read with Schedule III - Part A) and other applicable provisions 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 to inform you that the Board of Directors (“the Board”) of Kansai Nerolac Paints Limited (“the Company”) has, in its meeting held today, Monday, July 29, 2019, approved the Scheme of Amalgamation (“the Scheme”) of the Company’s wholly owned subsidiaries Marpol Private Limited (“Marpol”) and Perma Construction Aids Private Limited (“Perma”) with the Company, subject to the approval of the equity shareholders and Creditors of the respective companies viz. Marpol, Perma and our Company and the necessary statutory approvals from various regulatory authorities. It has also approved the process of undertaking the process of the proposed merger.

The Board had in its meeting held on May 2, 2019 accorded it in-principle consent towards the proposed merger of the Company’s wholly owned subsidiaries - Marpol and Perma with the Company, subject to necessary statutory approvals from various regulatory authorities.

The Appointed date i.e. the date from which the Scheme shall come into force, is July 1, 2019.

On the Scheme being effective, the entire Paid up Equity Share Capital of Marpol and Perma held by the Company, shall stand automatically cancelled and there will not be any issue and allotment of shares of the Company. Further, the entire business and undertaking of Marpol and Perma including all their properties and assets shall be transferred to and vested to the Company so as to become the properties and assets of the Company. Also, all debts, liabilities, duties and obligations of Marpol and Perma, shall be transferred to the Company.

The details as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 are as given below:



Head Office :
NEROLAC HOUSE
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400013 India

Tel.: + 91.22.2493 4001
+91.22.2499 2500

CIN No.: L24202MH1920PLCO00825

1. Name of the entities forming part of the amalgamation/merger, details in brief such as, size, turnover etc.

Name of the Entities	Size/turnover as on March 31, 2019
Marpol Private Limited	Rs. 68.90 cr
Perma Construction Aids Private Limited	Rs. 34.37 cr

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"

Since the two entities that are proposed to be merged with our Company are our wholly owned subsidiaries, the transaction is a related party transaction. As the proposed merger will provide the benefits of synergy, economies of scale, growth and expansion to our Company and no issue of shares or share exchange is involved, the merger transaction can be considered as one at "arm's length".

3. Area of business of the entities

Marpol Private Limited is in the business of powder coating, while Perma Construction Aids Private Limited is in the business of construction chemicals. The products manufactured and sold by these two subsidiaries are incidental and ancillary to the business of our Company which is manufacture and sale of paints and coatings.

4. Rationale for amalgamation/ merger

The merger will provide benefits of synergy, economies of scale, growth and expansion to our Company.

5. In case of cash consideration amount or otherwise share exchange ratio

As stated in Point No. 1 above, the proposal is for merger of two wholly owned subsidiaries with the Company. So, there is no cash consideration involved. The Company will take over the assets and liabilities of the two subsidiaries and the shares held by our Company in these subsidiaries would be cancelled. There is no share exchange ratio involved.

6. Brief details of change in shareholding pattern (if any) of listed entity

No change in the shareholding of our Company. The proposal is for merger of two wholly owned subsidiaries of our Company with our Company.

Kindly take the same on record.

For KANSAI NEROLAC PAINTS LIMITED


G. T. GOVINDARAJAN
COMPANY SECRETARY

