

May 7, 2019

- | | |
|---|---|
| <p>1. Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.</p> | <p>2. Manager – Listing
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051</p> |
|---|---|

Sub.: Joint Venture Agreement between Kansai Nerolac Paints Limited and 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 (“SEBI Listing Regulations”)**
- 2. Scrip Codes : BSE - 500165, NSE - KANSAINER**

Dear Sirs,

We wish to inform you that Kansai Nerolac Paints Ltd. (“ KNPL ”) has today, i.e. on May 7, 2019, entered into a Joint Venture Agreement, with Polygel Industries Private Limited (“ Polygel ”), a company which is engaged in the business of manufacturing and distribution of (i) adhesives, construction chemicals and sealants; (ii) organic titanates; (iii) cab poly oleofins catalysts; and (iv) poly carboxylate ether.

By virtue of the Joint Venture Agreement, KNPL and Polygel will establish a joint venture in India, by incorporating a separate company, to which the adhesives, construction chemicals and sealants business of Polygel would be transferred under a separate Business Transfer Agreement.

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(s) of parties with whom the agreement is entered	Polygel Industries Private Limited
2.	Purpose of entering into the agreement	To establish a Joint Venture in India, by incorporating a separate company (“JV”), to which the adhesives, construction chemicals and sealants business of Polygel would be transferred under a separate Business Transfer Agreement.

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

Tel.: + 91.22.2493 4001
+91.22.2499 2500



CIN No.: L24202MH1920PLC00826



Sr. No.	Particulars	Details
3.	Shareholding, if any, in the entity with whom the agreement is executed	Nil. Shareholding in the JV that will be incorporated is as given in Point No. 7.
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.	<p>Significant terms of the Joint Venture Agreement inter alia include following :</p> <ul style="list-style-type: none"> - Board of Directors: - KNPL and Polygel have the right to nominate, remove and replace 3 (three) and 2 (two) directors on the board of the JV, respectively. - Polygel’s Right of First Offer: Polygel has the right of first offer over the securities held by KNPL in the JV in the event KNPL is desirous of selling whole or part of the securities it holds in the JV. - KNPL’s Drag Along Rights: In the event KNPL sells all but not less than all its securities in the JV, it has the right to require Polygel and its affiliates to sell all securities held by Polygel in the JV. - KNPL’s Right of First Refusal and Tag along rights: KNPL has the right of first refusal in the event Polygel receives an offer from a third party for the purchase of all or part of the securities held by Polygel in the JV. Further, upon Polygel issuing a notice of first refusal to KNPL, KNPL may exercise its tag along rights and require Polygel to also sell the securities held by KNPL along with Polygel’s securities in the JV to the third party purchaser. - KNPL’s put option: Upon the occurrence of certain events as set out in the Joint Venture Agreement, KNPL has the right to require Polygel to purchase all the securities held by KNPL in the JV at fair market value.




Sr. No.	Particulars	Details												
5.	Whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship	No												
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”	No, not a related party transaction.												
7.	In case of issuance of shares to the parties, details of issue price, class of shares issued	<p>By virtue of the Joint Venture Agreement, KNPL and Polygel will establish a joint venture in India, by incorporating a separate company (“JV”), with a paid up share capital of Rs. 20,00,00,000 (Rupees Twenty Crores), out of which KNPL shall contribute Rs. 12,00,00,000 (Rupees Twelve Crores) and Polygel shall contribute Rs. 8,00,00,000 (Rupees Eight Crores).</p> <p>Upon incorporation, Shareholding pattern of the JV shall be as follows :</p> <table border="1" data-bbox="784 1123 1437 1384"> <thead> <tr> <th data-bbox="784 1123 1000 1267"><i>Name of the Shareholder</i></th> <th data-bbox="1000 1123 1219 1267"><i>No. of Equity Shares (of Rs. 10 each)</i></th> <th data-bbox="1219 1123 1437 1267"><i>Shareholding</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="784 1267 1000 1307">KNPL</td> <td data-bbox="1000 1267 1219 1307">1,20,00,000</td> <td data-bbox="1219 1267 1437 1307">60.00%</td> </tr> <tr> <td data-bbox="784 1307 1000 1347">PIPL</td> <td data-bbox="1000 1307 1219 1347">80,00,000</td> <td data-bbox="1219 1307 1437 1347">40.00%</td> </tr> <tr> <td data-bbox="784 1347 1000 1384">Total</td> <td data-bbox="1000 1347 1219 1384">2,00,00,000</td> <td data-bbox="1219 1347 1437 1384">100%</td> </tr> </tbody> </table>	<i>Name of the Shareholder</i>	<i>No. of Equity Shares (of Rs. 10 each)</i>	<i>Shareholding</i>	KNPL	1,20,00,000	60.00%	PIPL	80,00,000	40.00%	Total	2,00,00,000	100%
<i>Name of the Shareholder</i>	<i>No. of Equity Shares (of Rs. 10 each)</i>	<i>Shareholding</i>												
KNPL	1,20,00,000	60.00%												
PIPL	80,00,000	40.00%												
Total	2,00,00,000	100%												
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.	NA												




Sr. No.	Particulars	Details
9.	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) Name of parties to the agreement; b) Nature of the agreement; c) Date of execution of the agreement; d) Details of amendment and impact thereof or reasons of termination and impact thereof.	NA

The above is for your information and record.

Thanking you,

Yours Faithfully,

For **KANSAI NEROLAC PAINTS LIMITED**


G. T. GOVINDARAJAN
COMPANY SECRETARY

