

19th June, 2018

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| <p>1. Corporate Relationship Department<br/><b>BSE Limited,</b><br/>Phiroze Jeejeebhoy Towers,<br/>Dalal Street,<br/>Mumbai – 400 001.</p> | <p>2. Manager – Listing<br/><b>National Stock Exchange of India Ltd.</b><br/>Exchange Plaza,<br/>Bandra – Kurla Complex,<br/>Bandra (E), Mumbai – 400 051</p> |
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**BSE Scrip Code: 500165**  
**NSE Scrip Code: KANSAINER**

Dear Sirs,

**Sub: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Share Purchase Agreement entered into by the Company with RAK Paints Ltd., Bangladesh to acquire 55% equity share capital of RAK Paints Ltd.**

In compliance with Regulation 30 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with corresponding circulars and notifications issued thereunder, it is hereby informed to you that the Company has entered into Share Purchase Agreement (SPA) to acquire 55% of the paid-up equity share capital of RAK Paints Limited, Bangladesh as on the Closing Date ( i.e. the day on which the transaction would be consummated) for a total consideration of Bangladeshi Taka (BDT) 57.26 crores (approximately INR 45.81 crores). This is subject to adjustments for borrowings, working capital and fixed assets as at the Closing Date.

The relevant disclosures as prescribed under Regulation 30 are enumerated below:

**1. Name of the Target entity, details in brief such as size, turnover etc.**

Name of the target entity: RAK Paints Limited (formerly known as RAK Paints Private Limited) incorporated under the Companies Act (Bangladesh), 1994, having its registered office at RAK Tower, 12<sup>th</sup> Floor, Plot No. 1/A, Jasimuddin Avenue, Sector-3, Uttara Dhaka-1230, Bangladesh.

Size: 5,25,00,000 equity shares of BDT 10 each, constituting 100% of the total issued and paid-up share capital as on the date of signing of the Share Purchase Agreement. The target company will issue 95,00,000 additional equity shares to the existing promoters of the target company prior to the Closing Date, such that the total issued and paid-up equity share capital of the target company as on the Closing Date would be 6,20,00,000 equity shares of BDT 10 each.

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

Tel.: + 91.22.2493 4001  
+91.22.2499 2500  
Fax: +91.22.2497 3704



No.: L24202MH1920PLC000825

Turnover (net) : BDT 102.43 crores for FY 2016-17: 1<sup>st</sup> July, 2016 to 30<sup>th</sup> June, 2017 which is approximately equivalent to INR 81.94 crores.

**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:**

The acquisition does not fall within related party transaction.

The promoter company, Kansai Paint Co. Ltd, Japan, does not have any interest in the entity being acquired.

**3. Industry to which the entity being acquired belongs:**

RAK Paints Limited belongs to paint industry.

**4. Objects and effects of acquisition (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):**

Our company, Kansai Nerolac Paints Limited is a significant player in paints industry in India. RAK Paints Limited is one of the established paint companies in Bangladesh. Our Company will be entering a high growth potential Bangladesh paint market through this acquisition. Our Company also intends to establish a competitive paint manufacturing business in Bangladesh.

**5. Brief details of any Governmental or regulatory approvals required for the acquisition:**

The acquisition would be in accordance with the Regulations issued by the Reserve Bank of India for Overseas Direct Investment (ODI).

**6. Indicative time period for completion of the acquisition:**

31st July, 2018, subject to fulfillment of Conditions Precedent in the Share Purchase Agreement.

**7. Nature of Consideration – whether cash consideration or share swap and details of the same.**

Cash consideration.

**8. Cost of acquisition or the price at which the shares are acquired.**

The aggregate consideration is BDT 57.26 crores (approximately equivalent to INR 45.81 crores), subject to adjustments for borrowings, working capital and fixed



assets as at the Closing Date, for the acquisition of 3,41,00,000 equity shares of face value BDT 10 each, representing 55% of the paid-up equity share capital of RAK Paints Limited.

**9. Percentage of shareholding / control acquired and / or number of shares acquired.**

55% shareholding consisting of 3,41,00,000 equity shares of the face value of BDT 10 each in RAK Paints Limited.

**10. 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)**

RAK Paints Limited is one of the established paint companies in Bangladesh having a diverse product range encompassing decorative paints( includes water based, solvent based, primers and cement paints) and industrial paints( includes marine, primer and epoxy).

Date of Incorporation: 20<sup>th</sup> April, 2009

Turnover ( net) of last 3 financial years:

FY 2016-17 (1<sup>st</sup> July, 2016 to 30<sup>th</sup> June, 2017 - 12 months): BDT 102.43 crores  
[approximately equivalent to INR 81.94 crores]

FY 2015-16 ( 1<sup>st</sup> July, 2015 to 30<sup>th</sup> June, 2016 - 12 months): BDT 73.09 crores  
[ approximately equivalent to INR 58.47 crores]

FY 2014-15(1<sup>st</sup> Jan , 2014 to 30<sup>th</sup> June, 2015 - 18 months): BDT 94.63 crores  
[ approximately equivalent to INR 75.70 crores]

1 BDT  $\approx$  INR 0.80

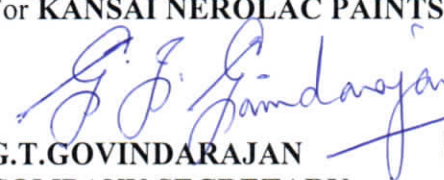
Country in which acquired entity has presence: Bangladesh

You are requested to take the same on your records.

Thanking you,

Yours Faithfully,

For **KANSAI NEROLAC PAINTS LTD.**

  
**G.T.GOVINDARAJAN**  
**COMPANY SECRETARY**



Encl: A Copy of the Press Release that the Company will be issuing.

## Press Release

### **Kansai Nerolac to enter into Bangladesh by acquiring equity stake in RAK Paints Limited**

Kansai Nerolac Paints Limited today has informed the stock exchange that it has entered into a Share Purchase Agreement (SPA) to acquire 55% equity stake in RAK Paints Limited, Bangladesh as on the Closing Date ( i.e. the day on which the transaction would be consummated) for a total consideration of Bangladeshi Taka (BDT) 57.26 crores (approximately INR 45.81 crores). This is subject to adjustments for borrowings, working capital and fixed assets as at the Closing Date.

RAK Paints Limited, incorporated in the year 2009, is one of the established paint companies in Bangladesh having a diverse product range encompassing decorative paints (includes water based, solvent based, primers and cement paints) and industrial paints (includes marine, primer and epoxy).

Commenting on the acquisition, Mr. H.M. Bharuka, Vice Chairman and Managing Director, Kansai Nerolac Paints Limited said that, “With this investment in RAK Paints Limited Bangladesh, Kansai Nerolac aims to increase its foot print in the SAARC countries. We believe that with our technological support, RAK Paints would grow very fast and would become a significant player in the Bangladesh paint industry. With many 2 Wheeler companies exploring setting up of plant in Bangladesh, going forward even auto and ARF market will also become significant which Kansai Nerolac would like to explore.”

