

**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE  
SHAREHOLDERS OF THE COMPANY THROUGH POSTAL BALLOT ON  
25TH OCTOBER, 2022**

“RESOLVED that pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB & SE Regulations”), as amended and enacted from time to time, read with all circulars and notifications issued thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Members of the Company be and is hereby accorded to the introduction and implementation of Kansai Nerolac Paints Limited - Restricted Stock Unit Plan 2022 (“RSU Plan 2022”/“Plan”) and authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers including the powers conferred by this resolution and under Regulation 5 of the SEBI SBEB & SE Regulations) to create and grant from time to time, in one or more tranches, not exceeding 53,89,197 (Fifty three lakhs eighty nine thousand one hundred ninety seven) Restricted Stock Units (“RSUs”) to or for the benefit of such person(s) as designated by the Company, within the meaning of the Plan (other than promoter or person belonging to the promoter group of the Company, independent directors and director(s) holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under the Plan, exercisable into not more than 53,89,197 (Fifty three lakhs eighty nine thousand one hundred ninety seven) equity shares of face value of Re. 1 (Rupee One) each fully paid-up, where one restricted stock unit would convert into one equity share upon exercise, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of the Plan.

RESOLVED FURTHER that the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.



RESOLVED FURTHER that in case of any corporate action such as rights issue, bonus issue, merger, sale of division and others, if any additional equity shares are issued by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the restricted stock units granted earlier, the ceiling as specified above shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER that in case of a share consolidation, if the revised face value of the equity share is more than the current face value as prevailing on the date of coming into force of this Plan, the maximum number of equity shares available for being granted under the Plan as specified above, shall stand modified accordingly and the price of acquisition for each restricted stock unit payable by the grantees under the Plan shall automatically stand augmented, in the same proportion as the face value per equity share shall bear to the revised face value of the equity share of the Company after such consolidation, without affecting any other rights or obligations of the said grantees.

RESOLVED FURTHER that the Board be and is hereby authorized to take requisite steps for listing of the equity shares allotted under the Plan on the stock exchanges where the equity shares of the Company are listed as per provisions of SEBI Listing Regulations, SEBI SBEB & SE Regulations and other applicable laws.

RESOLVED FURTHER that the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB & SE Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things, as may, at its absolute discretion deem necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan and to make applications to the appropriate authorities for requisite approvals, file documents as required in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard.”

For **KANSAI NEROLAC PAINTS LIMITED**

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



**CERTIFIED TRUE COPY OF THE SPECIAL RESOLUTION PASSED BY THE  
SHAREHOLDERS OF THE COMPANY THROUGH POSTAL BALLOT ON  
15TH JUNE, 2023**

**Item No. 4 of Postal Ballot Notice - Issue of Bonus Shares**

**RESOLUTION:**

“RESOLVED that :

- (a) pursuant to Article 178 of the Articles of Association of the Company, provisions of Section 63 and other applicable provisions, if any of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the provisions of the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Foreign Exchange Management Act, 1999, including any other applicable regulations and guidelines issued by SEBI and Reserve Bank of India in this regard and the conditions and modifications, if any, as may be prescribed and agreed to by the Board of Directors of the Company, a sum of Rs. 26,94,59,860 (Rupees Twenty six crores ninety four lakhs fifty nine thousand eight hundred sixty) of the amount standing to the credit of the Securities Premium Account and General Reserve be and is hereby capitalized and transferred from the Securities Premium Account / General Reserve to Share Capital and be applied for allotment of New Equity Shares of Re.1 each as Bonus Shares to the holders of the existing Equity Shares of the Company and whose names appear in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories, on such date as may be fixed in this regard by the Board of Directors (“Record Date”) in the proportion of 1 (One) New Equity Share of Re.1 each for every 2 (Two) existing Equity Shares held by the Members of the Company, upon the footing that they will be entitled thereto for all purposes as capital and not as income;
- (b) the said New Equity Shares of Re. 1 each, when issued and allotted, shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu* in all respects with and carry the same rights as the existing Equity Shares of the Company save and except that they shall not rank for dividend declared or to be declared for or in respect of any financial year prior to the financial year in which the New Equity Shares are allotted;

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CIN: L24202MH1920PLC000825



- (c) no letter of allotment shall be issued to the allottees; in the case of Members who hold equity shares in dematerialised form, the New Equity Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in the case of Members who hold Equity Shares in physical form, the New Equity Shares shall be credited in compliance with the guidelines issued SEBI and relevant authorities, in this regard;
- (d) no fractions arising out of the issue and allotment of New Equity Shares shall be allotted by the Company and the Company shall not issue any certificate or coupon in respect thereof but all such fractional entitlements shall be consolidated and the New Equity Shares, in lieu thereof, shall be allotted by the Board to the Nominees appointed by the Board, who shall hold the same as Trustees for the Members entitled thereto and sell the said Equity Shares so arising, at the then prevailing market rate and distribute the net sale proceeds thereof, after adjusting therefrom the cost and expenses in respect of such sale, for distribution to Members in proportion to their fractional entitlement;
- (e) for the purpose of giving effect to this Resolution and for the removal of any difficulties, the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorized to (i) do such acts, deeds, matters and things and give such directions as may be necessary or desirable, proper or expedient for the purpose of giving effect to the resolution including but not limited to making appropriate adjustments to the Restricted Stock Units under the Restricted Stock Units Plan 2022 of the Company and to settle any question or difficulty whatsoever that may arise with regard to the issue, allotment and distribution of the said New Equity Shares and (ii) accept on behalf of the Company, alterations or modifications if any, relating to the issue of the New Equity Shares that may be required by the authorities, as the Board in its discretion thinks fit and proper.”

For **KANSAI NEROLAC PAINTS LIMITED**

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



Encl: Explanatory statement

**EXPLANATORY STATEMENT FOR RESOLUTIONS MENTIONED UNDER ITEM NO. 1, 2, 3 AND 4 PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013**

As at 31st March 2023, the issued, subscribed and paid up Share Capital of the Company stood at Rs. 53.89 Crores and free reserves together with the Securities Premium account as on that date was Rs. 4,549.44 Crores. In order to bring the paid up Share Capital of the Company in line with the capital employed in the business, the Board of Directors has proposed to issue Bonus shares to the Equity Shareholders of the Company in proportion of 1 (One) New Equity Share for every 2 (Two) existing Equity Shares. For this purpose it is proposed to capitalize a sum of Rs. 26,94,59,860 (Rupees Twenty six crores ninety four lakhs fifty nine thousand eight hundred sixty) which will be drawn from Securities Premium Account and General Reserve as mentioned in the Resolution.

The terms and conditions of the proposed issue are set out in the Special Resolution set at Item No. 4 of the Notice and are subject to such approvals as may be necessary.

The Article 4 of the Articles of Association of the Company, requires the Shareholders to approve the increase of capital by the creation of new shares.

In order to facilitate the capitalization of reserves as set out in the Resolution at Item No. 4 of the Notice, the Authorised Share Capital of the Company is being increased from Rs. 66,50,00,000 (Rupees Sixty Six Crores and Fifty Lakhs) divided into 66,50,00,000 (Sixty Six Crores and Fifty Lakhs) Equity Shares of Re. 1 each to Rs. 85,00,00,000 (Rupees Eighty Five Crores) divided into 85,00,00,000 (Eighty Five Crores) Equity Shares of Re. 1 each. as indicated in the Resolution set out in Item No.1 of the Notice. Consequently, Clause V of the Memorandum of Association and Article 3 of the Articles of Association are proposed to be altered as indicated in the Resolutions set out in Item Nos. 2 and 3 of the Notice.

The issue of Bonus Shares would inter alia, require appropriate adjustments with respect to the Restricted Stock Units (“RSUs”) under the Restricted Stock Units Plan 2022 of the Company pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and any amendments thereto, such that all RSUs which are available for grant and those already granted but not exercised as on the Record Date shall be proportionately adjusted.

The Resolutions at Item No. 1 to 3 seek the approval of the Shareholders to increase the Authorised Share Capital, alter the Memorandum and Articles of Association and issue Bonus

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Shares on the terms and conditions set out in Resolution at Item No. 4. The Board recommends the Resolutions set forth in Item No. 1 to 4 above for approval of the Shareholders.

None of the Directors and / or Key Managerial Personnel of the Company and / or their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Resolutions set out in Item Nos. 1, 2 and 3. The Directors and / or Key Managerial Personnel of the Company and / or their relatives, may be deemed to be concerned or interested in Resolution set out in Item No. 4 relating to the issue of the Bonus Shares to the extent of their shareholdings in the Company and RSUs held by them in the Company, if any or to the extent of the shareholdings of the companies/institutions/trust of which they are directors, employees, members or trustees without any beneficial interest.

For **KANSAI NEROLAC PAINTS LIMITED**

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

