

13th February, 2024

To, The Manager (CRD) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	To, The Manager - Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051
Scrip Code: 522215	Symbol : HLEGLAS

Sub: Outcome of the Board Meeting held on 13th February, 2024

Dear Sir/ Madam,

With reference to the subject, this is to kindly inform you that at the Board Meeting of HLE Glascoat Limited which was adjourned at 04:00 pm earlier today was reconvened at 06:30 pm on the same day i.e. 13th February, 2024, the Board of Directors inter-alia approved:

1. The Scheme of Amalgamation of Kinam Enterprise Private Limited (“**Transferor Company**”) with HLE Glascoat Limited (“**Transferee Company**”) and their respective shareholders (“**Scheme**”) under Sections 230 to 232 of the Companies Act, 2013 and other applicable laws. The Scheme is inter alia subject to the approval of the shareholders, creditors, the Hon’ble National Company Law Tribunal (“**NCLT**”) and such other regulatory authorities, as may be required, under the applicable law.

The disclosure in respect to the aforesaid Scheme as required under Regulation 30 read with Schedule III, Part A to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”) read with the SEBI Circular No SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023 is attached herewith as **Annexure A**.

The adjourned Meeting of the Board of Directors commenced at 06:30 pm and concluded at 09:05 pm.

Kindly take the above on your records.

Yours faithfully,
For HLE Glascoat limited

ACHAL S. THAKKAR
Company Secretary &
Compliance Officer

Encl: as above

Annexure A – Brief Details for Amalgamation/ Merger

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

The Board of Directors have proposed the Scheme of Amalgamation of Kinam Enterprise Private Limited (“**Transferor Company**”) with HLE Glascoat Limited (“**Transferee Company**”) and their respective shareholders (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”).

The Scheme, inter-alia, provides for:

- the amalgamation of the Transferor Company with the Transferee Company and the dissolution of the Transferor Company without winding up; and
- various other matters consequential or otherwise integrally connected herewith.

Details of the Entities involved in the Scheme	HLE Glascoat Limited (HGL)	Kinam Enterprise Private Limited (KEPL)
Turnover as on December 31, 2023 (in Rs. Lakhs) - Standalone	42,511.13	0.00
Net Worth as on December 31, 2023 (in Rs. Lakhs) – Standalone	34,469.18	668.14
Total Assets as on December 31, 2023 (in Rs. Lakhs) – Standalone	88,991.64	668.14

b) Whether the transaction would fall within related party transactions, if yes whether the same is done at arm's length.

The transaction envisaged under the proposed Scheme will fall within related party transactions as defined under the SEBI LODR Regulations.

For the purposes of the Scheme, valuation has been carried out by M/s. RBSA Valuation Advisors LLP (“**Independent Registered Valuer**”). The shareholders of the Transferor Company (other than the Transferee Company itself) will be issued shares of the Transferee Company based on the Valuation Report issued by Independent Registered Valuer and the Fairness Opinion thereon of Navigant Corporate Services Private Limited, Category I Merchant Banker. In view of the same, the transaction under the Scheme is on arm’s length basis.

In this connection, it will be pertinent to also mention that the Ministry of Corporate Affairs vide its circular bearing number 30/2014 dated July 17, 2014 has clarified that transactions arising out of compromises, arrangements and amalgamations under the provisions of Act, will not attract the requirements of Section 188 of the Act.

c) Area of business of the entities

HLE Glascoat Limited is engaged in the business of design, manufacture, development, dealing, selling and market of standard as well as customized glass lined equipment, reactors, receivers/ storage tanks, dryers, filters, dryers heat exchangers, condensers, columns, agitators, valves, pipes and fittings and spares thereof.

Kinam Enterprise Private Limited is engaged in the business of providing efficient and reliable heat exchanger solutions to customers across various industries and the primary objective is to design, manufacture and deliver high quality heat exchangers that meets the unique needs of customers. The Transferor Company strives to offer innovative and sustainable solutions that provide optimal thermal performance, minimize downtime, and reduce operating costs.

d) Rationale for amalgamation/ merger

The proposed Scheme is likely to result in the following benefits:

1. consolidation as a single entity shall provide several benefits like reducing the number of legal entities, reducing the multiplicity of legal and regulatory compliances and reduction of costs, which would be beneficial for all stakeholders;
2. simplification of the shareholding structure and reduction in the shareholding tiers;
3. synergies that exist between the Transferor Company and the Transferee Company will ensure better cash flows and better business efficiency, avoid duplication of work and efforts and reduce managerial overlaps towards their common advantage; and
4. enhance shareholder value accruing from consolidation of business, thus contributing to the overall growth prospects of the Transferee Company.

The amalgamation is in the interest of the Transferor Company and the Transferee Company and their respective shareholders, creditors and all other stakeholders and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.

e) In case of cash consideration, amount - otherwise share exchange ratio

Under the Scheme, no cash consideration is proposed.

The shareholders of the Transferor Company (other than the Transferee Company) will be issued equity shares of the Transferee Company as per below share exchange ratio:

100 Equity Shares of Rs.2/- each of HLE Glascoat Limited for every 559 Equity Shares of Rs.10/- each of Kinam Enterprise Private Limited.

The share exchange ratio is based on the Valuation Report of M/s. RBSA Valuation Advisors LLP and the Fairness Opinion thereon of M/s. Navigant Corporate Services Private Limited, Category I Merchant Banker.

f) Brief details of change in shareholding pattern (if any) of the listed entity

Post the Scheme becoming effective, the shareholding pattern of the Transferee Company will be as follows:

Particulars	Pre- Scheme		Post- Scheme	
	No. of Shares (Equity Shares)	% of holding	No. of Shares (Equity Shares)	% of holding
Promoters	4,55,28,472	66.69%	4,55,28,472	65.55
Public	2,27,37,008	33.31%	2,39,26,266	34.45
Custodian	-	-	-	-
Total	6,82,65,480	100.00%	6,94,54,738	100.00

For HLE Glascoat Limited

Achal Thakkar
Company Secretary