



**HG INDUSTRIES LIMITED**  
(Formerly Himalaya Granites Limited)

HGIL/2022-23  
June 30, 2022

To  
**Department of Corporate Services**  
**BSE Limited**  
25th Floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai 400 001  
Scrip Code: 513723

Dear Sir/Madam,

**SUB: Outcome of the meeting of the Board of Directors of HG Industries Limited (Formerly Himalaya Granites Limited) (the "Company"/ "Transferor Company") held on June 30, 2022 and Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("SEBI Listing Regulations")**

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with SEBI Circulars No. CIR/CFD/CMD/4/2015 dated September 09, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Merger Circular"), as amended from time to time, this is to inform you that the Board of Directors of the Company ("the Board") at its Meeting held today i.e. June 30 2022, has considered and approved the draft Scheme of Arrangement between HG Industries Limited ("Transferor Company") and Greenlam Industries Limited ("Transferee Company") and their respective shareholders and all concerned under Sections 230 to 232 of the Companies Act, 2013, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder for amalgamation of the Transferor Company with and into the Transferee Company ("Scheme").

The Scheme is subject to receipt of necessary approvals from the jurisdictional bench(es) of the National Company Law Tribunal, Stock Exchanges, the Securities and Exchange Board of India, shareholders and such other statutory and regulatory authorities, as may be required.

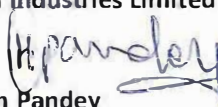
The Scheme has been reviewed and recommended by the Audit Committee and the Committee of Independent Directors of the Company at their respective Meetings held on June 30, 2022.

In terms of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015, we are furnishing herewith the details of the Scheme as **Annexure 1**.

The meeting of the Board of the Company commenced at 5.30 p.m and concluded at 6.40 p.m.

This is for your information and records.

Thanking you,  
For HG Industries Limited

  
**Hariom Pandey**  
Company Secretary



Encl: as above



**Annexure 1 - Brief details of Amalgamation/ Merger**

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a) Name of the entity(ies) forming part of the amalgamation/merger along with details such as size, turnover etc.:

Particulars	Greenlam Industries Limited (Standalone)	Greenlam Industries Limited (Consolidated)	HG Industries Limited
Total Assets	Rs. 130921.78 Lakh	Rs. 138422.06 Lakh	Rs. 226.84 Lakh
Net worth (excluding Capital Reserves)	Rs. 47859.81 Lakh	Rs. 50414.89 Lakh	Rs. 155.82 Lakh
Total Equity (excluding non-controlling interest)	Rs. 63193.28 Lakh	Rs. 65435.33 Lakh	Rs. 170.82 Lakh
Turnover	Rs. 155918.55 Lakh	RS. 170340.41 Lakh	Rs. 35.70 Lakh

b) Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arm's length basis":

The Transferor Company is the subsidiary of the Transferee Company and they are related parties to each other.

Owing to Circular No. 30/2014 dated July 17, 2014 issued by the Ministry of Corporate Affairs clarifying that transaction arising out of compromise, arrangement and amalgamations dealt with under specific provisions of the Companies Act 1956/2013, would not attract requirements of Section 188 of the Companies Act, 2013, the instant Scheme does not attract the provisions of Section 188 of the Companies Act, 2013 (Related Party Transaction).

The consideration for the Scheme (viz. the share exchange ratio) has been determined on an arm's length basis. In this regard, the Transferor Company has obtained a Fairness Opinion Certificate dated June 29, 2022 from Srujan Alpha Capital Advisors LLP, Merchant Banker.

c) Area of business of the entity(ies):

**1. HG Industries Limited**

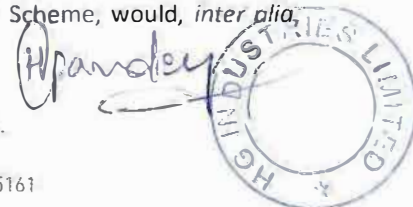
The Transferor Company is in the process of setting-up a manufacturing plant at Tindivanam, Tamil Nadu for manufacturing of plywood and allied products.

**2. Greenlam Industries Limited**

The Transferee Company is engaged in the business of, *inter-alia*, manufacturing laminates, decorative veneers, engineered wooden flooring, engineered wooden doors and allied products through its factories situated at a) Behror, Rajasthan and b) Nalagarh, Himachal Pradesh and it is in the process of commencing manufacturing of laminates at its recently acquired plant at Prantij, Gujarat. The Transferee Company has branches and dealers' network spread all over the country and also exports its products to various countries overseas.

d) Rationale for amalgamation/merger:

The Transferee Company holds 74.91% of the share capital of the Transferor Company which was acquired in the financial year FY 2021-22. The Transferee Company is engaged in the business of, *inter alia*, manufacturing of laminates, decorative veneers, engineered wooden flooring, engineered wooden doors and allied products and the Transferor Company is in the process of setting-up a manufacturing plant at Tindivanam, Tamil Nadu for manufacturing of plywood and allied products. The business activities of the Transferor Company and the Transferee Company complement each other. The amalgamation pursuant to this Scheme, would, *inter alia*, have the following benefits:





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- i. it would enable the Transferee Company to leverage its combined assets and to create a more competitive business, both in scale and operations;
- ii. it would consolidate the businesses of the Transferor Company and the Transferee Company which will result in focused growth, operational efficiencies, business synergies and unlock the value of the assets of the Transferor Company;
- iii. it would enhance operational, organizational and financial efficiencies, and achieve economies of scale by pooling of resources and ultimately enhancing overall shareholders value;
- iv. it would achieve synergies in costs (particularly in respect of customer relationship management and establishing sales and marketing channels), operations, stronger and wider capital and financial base for future growth;
- v. it would allow for an integrated and coordinated approach to investment strategies and more efficient allocation of capital and cash management;
- vi. it would broaden the Transferee Company's product portfolio by adding plywood and allied products;
- vii. it would prevent overlap of sales and marketing channels of the Transferor Company and the Transferee Company;
- viii. it would consolidate administrative and managerial functions and elimination of multiple record-keeping, *inter alia*, other expenditure and optimal utilization of resources by elimination of unnecessary duplication of activities and related costs thus resulting in reduced expenditure.

**e) In case of cash consideration – amount or otherwise share exchange ratio:**


Upon the Scheme coming into effect, the Transferee Company shall without any further act or deed issue and allot 1 (One) Equity shares of Re. 1/- each fully paid up for every 2 (Two) Equity shares of Rs. 5/- each fully paid up held by the shareholders of the Transferor Company (other than the Transferee Company).

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

Category	Number of shares & % voting rights Pre-Amalgamation		Number of shares & % voting rights Post-Amalgamation*	
	No.	%	No.	%
As on 31 <sup>st</sup> March 2022				
Promoter & Promoter Group	34,70,966	74.91	Post the Scheme becoming effective, the Company shall be dissolved without being wound up. Accordingly, change in shareholding pattern of the Company shall not be applicable.	
Public Shareholder	11,62,602	25.09		
Total	46,33,568	100.00		

\*Upon the Scheme becoming effective, the Transferee Company will issue 5,81,301 equity shares, as per the share exchange ratio mentioned at point (e) above, to the equity shareholders of the Transferor Company as on the "record date" (other than the Transferee Company) and all the equity shares of the Transferor Company held by Transferee Company shall stand extinguished.

For HG Industries Limited

  
**Hariom Pandey**  
Company Secretary

