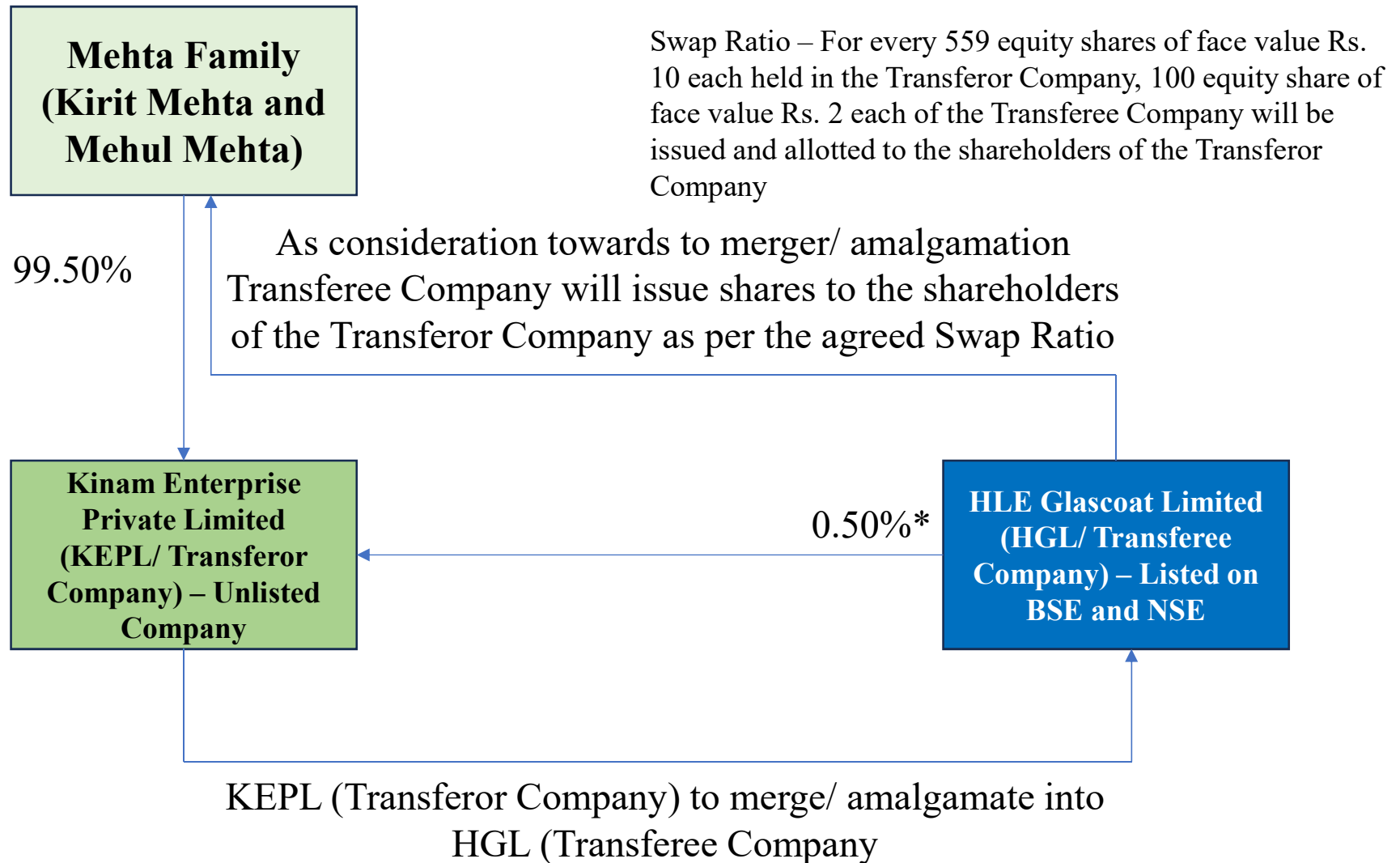


Annexure M – Part B

Scheme of Amalgamation – Kinam Enterprise Private Limited and HLE Glascoat Limited



*on merger the 0.50% shares held by the Transferee Company in the Transferor Company will get cancelled

On approval of the Scheme KEPL/ Transferor Company will get dissolved/ cease to exist

Background of the Entities

- Kinam Enterprise Private Limited (“Transferor Company”) a private limited company formed on 26th June, 2024 and having its registered office at Navsari, Gujarat, 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.
- HLE Glascoat Limited (“Transferee Company”) a listed company (listed on BSE and NSE), is a manufacturer of process equipment for the chemical and pharmaceutical industries. Over the years, it has established itself as a market leader in Filtration and Drying Equipment and is a leading manufacturer of Glass Lined Equipment. It manufactures a wide range of chemical processing equipment in an equally wide range of materials for some of the most demanding chemical engineering applications.
- The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and dissolution of Transferor Company without winding up.

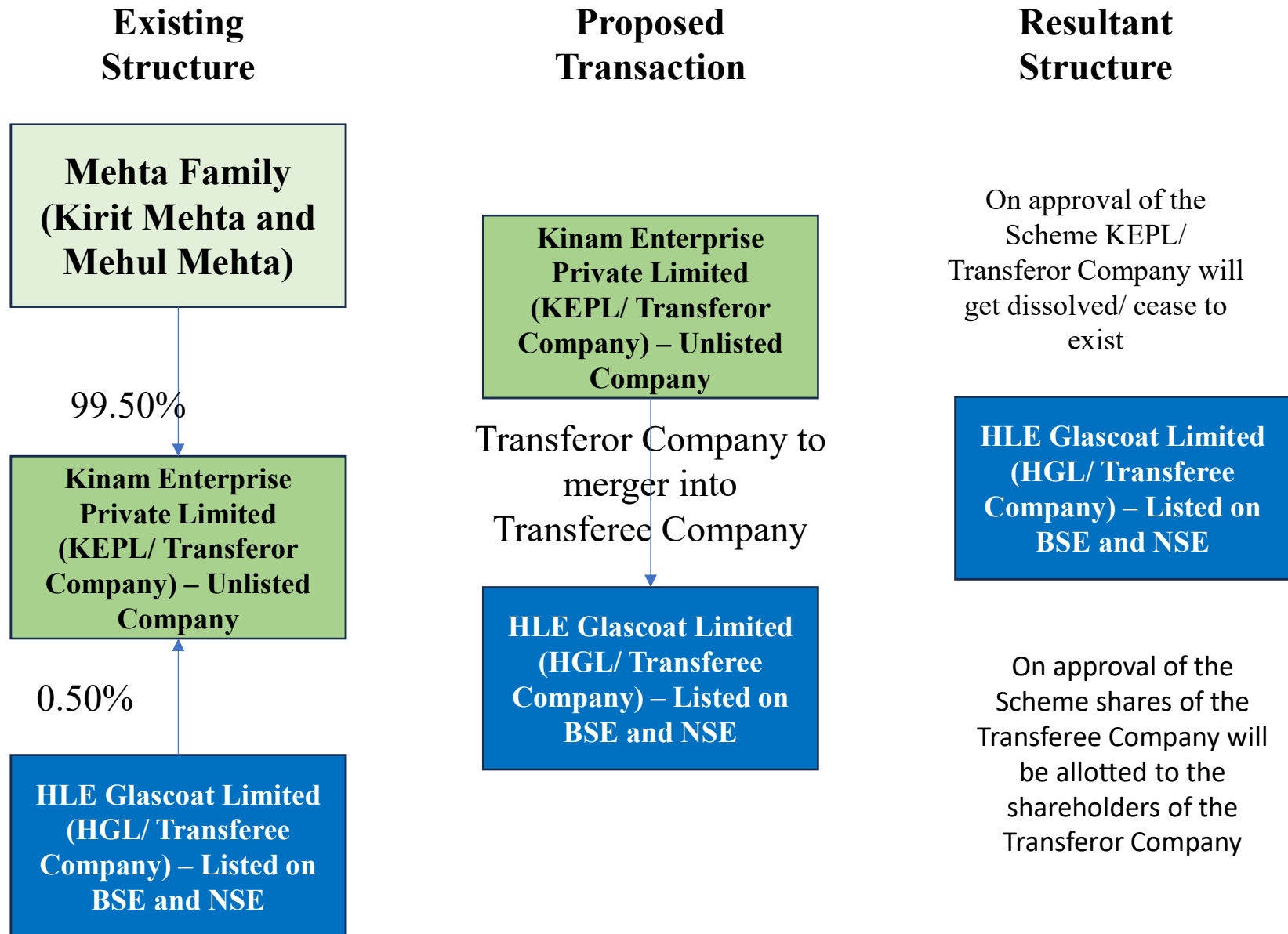
Objective of the Scheme

- 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.
- One of the important object of the Scheme was to enhance shareholder value accruing from consolidation of business, thus contributing to the overall growth prospects of the Transferee Company.

Rationale of the Scheme

- 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;
- Simplification of the shareholding structure and reduction in the shareholding tiers;
- 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
- Enhance shareholder value accruing from consolidation of business, thus contributing to the overall growth prospects of the Transferee Company.

Existing, Proposed and Resultant Structure



Existing, Proposed Capital Structure of the Entities involved in the Scheme

Pre and Post Capital Structure/ Shareholding Pattern of the Transferor Company

Particulars	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoters	66,57,953	99.50	Nil	Nil
Public	33,407	0.50	Nil	Nil
Custodian	Nil	Nil	Nil	Nil
Total	66,81,360	100.00	Nil	Nil

Pre and Post Capital Structure/ Shareholding Pattern of the Transferee Company

Particulars	Pre		Post	
	No. of Shares	% of holding	No. of 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

Pre and Post Scheme Net Worth of the Companies

Particulars	Pre (Rs Crores)	Post (Rs Crores)
Net Worth of Transferor Company	6.68	Nil
Net Worth of Transferee Company	344.69	421.16

Key Points of the Scheme including Terms of Consideration

- This Scheme is presented under Sections 230 to 232 and other relevant provisions of the Act (as defined hereinafter) read with Section 2(1B) and other applicable provisions of the Income Tax Act and other applicable law, if any, including any statutory modification, re-enactments or amendments thereof from time to time and
- Provides for the amalgamation of the Transferor Company with the Transferee Company and dissolution of Transferor Company without winding up.
- **Consideration**
 - The investment in equity shares of the Transferor Company held by the Transferee Company shall stand cancelled in the books of the Transferee Company;
 - The Transferee Company shall, issue and allot on a proportionate basis to each shareholder of the Transferor Company (except Transferee Company itself), whose name is recorded in the register of members on the Effective Date, 100 (One Hundred) fully paid up equity shares of Rs.2/- each of the Transferee Company ("Transferee Company New Equity Shares"), credited as fully paid up for every 559 (Five Hundred Fifty Nine) fully paid equity shares of Rs.10/- each held by such shareholder or his/ her/ its heirs, executors, administrators or successors in the Transferor Company

Key Points of the Scheme including Terms of Consideration

Approval of the Scheme by the Board of Directors of the Transferor and the Transferee Company



Regulation 37 Approval by the Stock Exchanges



Admission of the Scheme by NCLT



Convening meetings of Shareholders, Secured and Unsecured Creditors as directed by NCLT



Final Hearing of NCLT on the approval of the Scheme

To make the approved Scheme operative the same should be filed with MCA within 30 days of the receipt of the certified copy of the order with the MCA

Shareholder (with Names) Pre and Post Scheme including Consideration

Name of the Promoter/s	Pre-Shareholding		Consideration as per the scheme				Post Shareholding	
	Transferor Company 1 (Kinam Enterprise Private Limited)		Allotted Pursuant to Scheme ¹		Cancelled Pursuant to Scheme		Transferee Company	
1) Promoter Shareholder	No Of Shares	%	No Of Shares	%	No Of Shares	%	No Of Shares	%
Himanshu Patel							1,69,78,535	24.45
Nilesh Patel							1,71,86,114	24.74
Harsh Patel							88,32,173	12.72
Aalap Patel							9,44,165	1.36
Swara Patel							14,60,025	2.10
Kishori Patel							81,110	0.12
Priti Patel							46,350	0.07
Kirit Mehta	33,23,977	49.75					-	-
Mehul Mehta	33,23,976	49.75					-	-
Sub-Total	66,47,953	99.50					4,55,28,472	65.55
Notes:								
1. Shareholding of Promoters in Transferor/Demerged Company * Share Entitlement Ratio <i>(For every 559 shares (face value Rs. 10 each) held in the Transferor Company, 100 shares (face value Rs. 2 each) of Transferee Company will be allotted to the shareholders of the Transferee Company)</i>								
2. Details of addition of promoters in the Transferee Company/Resultant Company Post Sanction of Scheme. <i>(Not Applicable)</i>								
3. Details of reclassification of existing promoters to public in the Transferee Company/Resultant Company Post sanction of scheme in compliance with SEBI LODR Regulations, 2015. <i>(Not Applicable)</i>								

Shareholder (with Names) Pre and Post Scheme including Consideration

Name of Public Shareholders	Pre-Shareholding		Consideration as per the scheme				Post Shareholding	
	Transferor Company 1 (Kinam Enterprise Private Limited)		Allotted Pursuant to Scheme ¹		Cancelled Pursuant to Scheme		Transferee Company	
2). Public Shareholders	No Of Shares	%	No Of Shares	%	No Of Shares	%	No Of Shares	%
(A) Institution								
Mutual Funds/ UTI							2,441,444	3.52
Foreign Institutional Investors							28,76,363	4.41
Any Other - Alternate Investment Funds - Foreign Portfolio Investors Category II							2,50,288	0.36
							18,072	0.03
Sub-Total							55,86,167	8.04
Notes:								
1. Shareholding of Promoters in Transferor/Demerged Company * Share Entitlement Ratio <i>(For every 559 shares (face value Rs. 10 each) held in the Transferor Company, 100 shares (face value Rs. 2 each) of Transferee Company will be allotted to the shareholders of the Transferee Company)</i>								
2. Details of addition of promoters in the Transferee Company/Resultant Company Post Sanction of Scheme. <i>(Not Applicable)</i>								
3. Details of reclassification of existing promoters to public in the Transferee Company/Resultant Company Post sanction of scheme in compliance with SEBI LODR Regulations, 2015. <i>(Not Applicable)</i>								

Shareholder (with Names) Pre and Post Scheme including Consideration

Name of Public Shareholders	Pre-Shareholding		Consideration as per the scheme				Post Shareholding	
	Transferor Company (Kinam Enterprise Private Limited)		Allotted Pursuant to Scheme ¹		Cancelled Pursuant to Scheme		Transferee Company	
2). Public Shareholders	No Of Shares	%	No Of Shares	%	No Of Shares	%	No Of Shares	%
(B) Non- Institution								
Bodies Corporate	33,407	0.50			33,407	0.50		
Individuals –								
i. Individual shareholders holding nominal share capital up to Rs 1 lakh							92,10,444	13.26
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.			11,89,258*	1.71			44,82,073	6.45
Any Other (IEPF, Body Corp, HUF, Unclaimed shares, Clearing Members, OCB)							46,47,582	6.69
Sub-Total	33,407	0.50	11,89,258	1.71	33,407	0.50	1,83,40,099	26.14
Total Shareholding	66,81,360	100	11,89,258	1.71	33,407	0.50	6,94,54,738	100

Notes:

1. Shareholding of Promoters in Transferor/Demerged Company * Share Entitlement Ratio (For every 559 shares (face value Rs. 10 each) held in the Transferor Company, 100 shares (face value Rs. 2 each) of Transferee Company will be allotted to the shareholders of the Transferee Company)

2. Details of addition of promoters in the Transferee Company/Resultant Company Post Sanction of Scheme. (Not Applicable)

3. Details of reclassification of existing promoters to public in the Transferee Company/Resultant Company Post sanction of scheme in compliance with SEBI LODR Regulations, 2015. (Not Applicable)

*11,89,258 equity share will be allotted to Mr. Kirit Mehta and Mr. Mehta (shareholders of the Transferor Company) and they will form part of Public category in the shareholding of the Transferee Company

Other Key Points of the Scheme

- Post the Scheme the public shareholding is not less than 25%
- There is no re-classification of the Promoter and Promoter Group pursuant to the Scheme.
- The companies have obtained Valuation Report from RBSA Valuation Advisors LLP, Registered Valuer (Ref RVA2324BOMREP133 dated 13th February, 2024).