

**ANNEXURE M**

**Additional Requirements  
 Part-A**

<b>S. No.</b>	<b>Particulars</b>	<b>Yes/ No/ Not Applicable</b>	<b>Remarks</b>	<b>Annexure (Document Provided)</b>
1.	Apportionment of losses of the listed company among the companies involved in the scheme.	Not Applicable	Since the present scheme is "Scheme of Amalgamation" and hence there will not be any apportionment. Moreover, Transferor Company doesn't have any accumulated losses.	-
2.	Details of assets, liabilities, revenue and net worth of the companies involved in the scheme, both pre and post scheme of arrangement, along with a write up on the history of the demerged undertaking/ Transferor Company certified by Chartered Accountant (CA).	Yes		Attached as Annexure M1
3.	Any type of arrangement or agreement between the demerged company/resulting company/merged/amalgamated company/ creditors / shareholders / promoters / directors/etc., which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity.	No	The Company had vide its intimation dated 7 <sup>th</sup> August, 2023, 26 <sup>th</sup> September, 2023, 10 <sup>th</sup> January, 2024 and 13 <sup>th</sup> February, 2024 under Reg 30 of SEBI (LODR) informed the stock exchanges amongst other things about amalgamation of KEPL with the Company, subject to fulfilment of the obligations and conditions prescribed in the definitive agreement.  Apart from the above, there are no agreements between or amongst the Transferor and the Transferee Company	

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			which may have any implications on the scheme of arrangement as well as on the shareholders of listed entity	
4.	Reasons along with relevant provisions of Companies Act, 2013 or applicable laws for proposed utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, as a free reserve, certified by CA.	No	<p>In the present scheme the Transferor Company is going to amalgamate into Transferee Company.</p> <p>On the Scheme becoming effective 0.50% (33,407 equity shares) held by the Transferee Company in the Transferor Company will get cancelled and new shares of Transferee Company will be issued to the shareholders of the Transferor Company.</p> <p>As a result of the above there will not be utilization of reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, in the present Scheme.</p>	Attached as Annexure M2
5.	Built up for reserves viz. Capital Reserve, Capital Redemption Reserve, Securities premium, certified by CA.	Yes		Attached as Annexure M3
6.	Nature of reserves viz. Capital Reserve, Capital Redemption Reserve, whether they are notional and/or unrealized, certified by CA.	Yes		Attached as Annexure M3
7.	The built up of the accumulated losses over the years, certified by CA.	Yes	Both Transferor and Transferee companies do not have any losses/ accumulated losses.	

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8.	Relevant sections of Companies Act, 2013 and applicable Indian Accounting Standards and Accounting treatment, certified by CA.	Yes		Refer Annexure M4
9.	Details of shareholding of companies involved in the scheme at each stage, in case of composite scheme.	Yes		Refer Annexure M5
10.	Whether the Board of unlisted company has taken the decision regarding issuance of Bonus shares. If yes provide the details thereof. If not, provide the reasons thereof.	No	The Board of unlisted company/ Transferor Company has not taken decision regarding issuance of Bonus shares.	
11.	List of comparable companies considered for comparable companies' multiple method.	Yes	List of comparable companies considered for comparable companies' multiple method considered by the Valuer under Market Approach are as under:  <ul style="list-style-type: none"> <li>- HLE Glascoat Limited</li> <li>- Grindwell Norton Limited</li> <li>- Cummins India Limited</li> <li>- Elgi Equipments Ltd</li> <li>- Praj Industries Ltd</li> <li>- KSB Ltd</li> <li>- Lakshmi Machine Works Ltd</li> <li>-</li> </ul>	
12.	Share Capital built-up in case of scheme of arrangement involving unlisted entity/entities, certified by CA.	Yes		Attached as Annexure M6
13.	Any action taken/pending by Govt./Regulatory body/Agency against all the entities involved in the scheme.	No	No action has been taken/pending by Govt./Regulatory body/ Agency against entities involved in the scheme.	

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14.	Comparison of revenue and net worth of demerged undertaking with the total revenue and net worth of the listed entity in last three financial years.	Not Applicable	Since the present scheme is Scheme of Amalgamation, information asked in Item 14 is not applicable	
15.	Detailed rationale for arriving at the swap ratio for issuance of shares as proposed in the draft scheme of arrangement by the Board of Directors of the listed company.		The Board of the Listed Company has relied on the Valuation Report issued by the Registered Valuer and Fairness Opinion issued by Category I Merchant Banker while approving the Scheme	
16.	In case of Demerger, basis for division of assets and liabilities between divisions of Demerged entity.	Not Applicable		
17.	How the scheme will be beneficial to public shareholders of the Listed entity and details of change in value of public shareholders pre and post scheme of arrangement.		Pursuant to the Scheme for every 559 equity shares of face value Rs. 10 each held in Transferor Company 100 equity shares of face value Rs. 2 each will be issued and allotted to the shareholders of Transferor Company. As a result the the shareholders of the Transferor Company (which will get classified under Public Category will be allotted 11,89,258 equity shares of the Transferee Company which will not only provide liquidity to the shareholders of the Transferor Company but also increase the public/free float of share of the Transferee Company which will benefit the public shareholders of the	Refer Annexure M5

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			Transferee Company at large	
18.	Tax/ other liability/benefit arising to the entities involved in the scheme, if any.	Not Applicable	The present Scheme is compliant with Section 2(1B) and other applicable provisions of the Income Tax Act, 1961.	
19.	Revenue, PAT and EBIDTA (in value and percentage terms) details of entities involved in the scheme for all the number of years considered for valuation. Reasons justifying the EBIDTA/PAT margin considered in the valuation report.		Financial parameters for the Transferor and Transferee Company are attached.  Please refer the Valuation Report for the valuation approaches used for the purpose of arriving at the Swap Ratio and the Rationale for the same.	Refer Annexure M7
20.	Confirmation from valuer that the valuation done in the scheme is in accordance with applicable valuation standards.		Refer to the Valuation Report issued by the Registered Valuer which states (on page 8) that the Valuers have given due cognizance to the Valuation Standards issued by ICAI on 10 <sup>th</sup> June, 2018.	
21.	Confirmation from Company that the scheme is in compliance with the applicable securities laws.	Yes	We hereby confirm that the Scheme is in compliance with the applicable securities laws.	Refer Annexure M9
22.	Confirmation that the arrangement proposed in the scheme is yet to be executed.	Yes	We hereby confirm that the arrangement proposed in the Scheme has not yet been executed or given effect to.	Refer Annexure M10