

Date: March 03, 2026

To, The Manager (CRD) BSE Limited Phirozee Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001	To, The Manager - Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No.C-1, G Block Bandra Kurla Complex, Bandra (East) Mumbai – 400051
Scrip Code: 522215	Symbol : HLEGLAS

Sub.: Report from the Audit Committee and Independent Directors of the Company certifying distribution of proceeds to eligible shareholders of fractional shares pursuant to the Scheme of Amalgamation of Kinam Enterprise Private Limited (Transferor Company) and HLE Glascoat Limited (Transferee Company) and their respective shareholders and creditors (“Scheme”)

Dear Sir / Madam,

In terms of the Securities and Exchange Board of India (“SEBI”) Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, reports from the Audit Committee and Independent Directors of the Company are enclosed, certifying that proceeds from the sale of consolidated fractional entitlement have been distributed to the eligible shareholders of Transferor Company in proportion to their entitlements in accordance with the Scheme.

The above is for your information and record.

The same is being uploaded on the website of the Company www.hleglascoat.com

Thanking you,

Yours faithfully,
For **HLE Glascoat Limited**

ACHAL S. THAKKAR
Company Secretary &
Compliance Officer

Encl: as above.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF HLE GLASCOAT LIMITED DATED 3RD MARCH, 2026, CERTIFYING DISTRIBUTION OF PROCEEDS TO ELIGIBLE SHAREHOLDERS OF FRACTIONAL SHARES ("REPORT") PURSUANT TO THE SCHEME OF AMALGAMATION BETWEEN HLE GLASCOAT LIMITED ("TRANSFeree COMPANY") AND KINAM ENTERPRISE PRIVATE LIMITED ("TRANSFEROR COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

Audit Committee Members:

Yatish Parekh	Chairman
Sandeep Randery	Member
Jayesh Shah	Member
Aalap Patel	Member

This report of the Audit Committee of the Board of Directors is made in compliance with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 ("**SEBI Master Circular**") and as amended from time to time.

1. Background

- 1.1 The Scheme of Amalgamation of Kinam Enterprise Private Limited (the '**Transferor Company**') with HLE Glascoat Limited (the '**Transferee Company**') and their respective Shareholders and Creditors ('**Scheme**'), was approved and sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench by their orders dated 14th August, 2025. Upon completion of the conditions specified in clause 21 ("**Condition Precedent**") of the Scheme, it has become effective from the Appointed Date of 7th August, 2023.
- 1.2 In terms of the Scheme, eligible equity shareholders of the Transferor Company as on the record date (i.e. 1st September, 2025) were allotted equity shares of the Transferee Company on 27th September, 2025 and the same were credited to their demat account on 09/12/2025, in the share exchange ratio of 100 (One Hundred) fully paid up equity shares of Rs.2/- each of the Transferee Company ("**Transferee Company New Equity Shares**"), for every 559 (Five Hundred Fifty Nine) fully paid equity shares of Rs.10/- each of the Transferor Company. Accordingly, the Company allotted 11,89,259 fully-paid up equity shares of Rs. 2/- each, to the eligible shareholders of the Transferor Company which included the allotment of 2 (Two) equity shares of Rs. 2/- each ("**Fractional Shares**"). The Board of Directors of the Transferee Company appointed Mr. Achal Thakkar, Company Secretary, as the Trustee to hold Fractional Shares in trust on behalf of the eligible equity shareholders of the Transferor Company.



The fully paid-up equity shares allotted to the eligible equity shareholders of the Transferor Company rank pari-passu in all respects with the existing fully paid-up equity shares of the Transferee Company.

- 1.3 Further, in terms of the provisions of SEBI Master Circular, a report from Audit Committee is required to certify that the fractional Shares are sold in the open market within 90 days from the date of allotment and the proceeds from the sale of consolidated fractional entitlement are given to the eligible shareholders in proportion to their entitlements.

2. Treatment of fractional entitlements

- 2.1 The Fractional Shares were sold in the open market within 90 days from the date of allotment/credit of shares in the demat account and the net proceeds out of the sale were distributed to the respective eligible equity shareholders of the Transferor Company in proportion to their respective fractional entitlements. Accordingly, the Fractional Shares were allotted and credited directly to the account of Mr. Achal Thakkar and were sold in the open market at market price on 25/02/2026.
- 2.2 The distribution of sale proceeds has been completed on 2nd March, 2026 as under:

No. of shares	Average price per share (in Rupees)	Gross Amount (in Rupees)	Deductions/ Brokerage etc (in Rupees)	Net Amount (in Rupees)
2	313.00	626.00	15.65	610.35

3. Certification of Audit Committee

Based on the above, it is hereby certified that the Company has compensated the eligible equity shareholders by distributing the sale proceeds of the fractional entitlements in accordance with provisions of the Scheme and SEBI Master Circular.

For and on Behalf of the Audit Committee of
HLE Glascoat Limited


Yatish Parekh
Chairman - Audit Committee
DIN: 00168488



Place: Maroli, Navsari
Date: March 3, 2026

REPORT OF THE INDEPENDENT DIRECTORS OF HLE GLASCOAT LIMITED DATED 3RD MARCH, 2026, CERTIFYING DISTRIBUTION OF PROCEEDS TO ELIGIBLE SHAREHOLDERS OF FRACTIONAL SHARES ("REPORT") PURSUANT TO THE SCHEME OF AMALGAMATION BETWEEN HLE GLASCOAT LIMITED ("TRANSFEEE COMPANY") AND KINAM ENTERPRISE PRIVATE LIMITED ("TRANSFEROR COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

Independent Directors of the Company:

Yatish Parekh	Independent Director
Sandeep Randery	Independent Director
Jayesh Shah	Independent Director
Vijayanti Punjabi	Independent Director

This report of the Independent Directors is made in compliance with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 ("SEBI Master Circular") and as amended from time to time.

1. Background

1.1 The Scheme of Amalgamation of Kinam Enterprise Private Limited (the 'Transferor Company') with HLE Glascoat Limited (the 'Transferee Company') and their respective Shareholders and Creditors ('Scheme'), was approved and sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad Bench by their orders dated 14th August, 2025. Upon completion of the conditions specified in clause 21 ("Condition Precedent") of the Scheme, it has become effective from the Appointed Date of 7th August, 2023.

1.2 In terms of the Scheme, eligible equity shareholders of the Transferor Company as on the record date (i.e. 1st September, 2025) were allotted equity shares of the Transferee Company on 27th September, 2025 and the same were credited to their demat account on 09/12/2025, in the share exchange ratio of 100 (One Hundred) fully paid up equity shares of Rs.2/- each of the Transferee Company ("Transferee Company New Equity Shares"), for every 559 (Five Hundred Fifty Nine) fully paid equity shares of Rs.10/- each of the Transferor Company. Accordingly, the Company allotted 11,89,259 fully-paid up equity shares of Rs. 2/- each, to the eligible shareholders of the Transferor Company which included the allotment of 2 (Two) equity shares of Rs. 2/- each ("Fractional Shares"). The Board of Directors of the Transferee Company appointed Mr. Achal Thakkar, Company Secretary, as the Trustee to hold Fractional Shares in trust on behalf of the eligible equity shareholders of the Transferor Company.

The fully paid-up equity shares allotted to the eligible equity shareholders of the Transferor Company rank pari-passu in all respects with the existing fully paid-up equity shares of the Transferee Company.



- 1.3 Further, in terms of the provisions of SEBI Master Circular, a report from Independent Directors are required to certify that the fractional Shares are sold in the open market within 90 days from the date of allotment and the proceeds from the sale of consolidated fractional entitlement are given to the eligible shareholders in proportion to their entitlements.

2. Treatment of fractional entitlements

- 2.1 The Fractional Shares were sold in the open market within 90 days from the date of allotment/credit of shares in the demat account and the net proceeds out of the sale were distributed to the respective eligible equity shareholders of the Transferor Company in proportion to their respective fractional entitlements. Accordingly, the Fractional Shares were allotted and credited directly to the account of Mr. Achal Thakkar and were sold in the open market at market price on 25/02/2026.
- 2.2 The distribution of sale proceeds has been completed on 2nd March, 2026 as under:

No. of shares	Average price per share (in Rupees)	Gross Amount (in Rupees)	Deductions/ Brokerage etc (in Rupees)	Net Amount (in Rupees)
2	313.00	626.00	15.65	610.35

3. Certification of Independent Directors

Based on the above, it is hereby certified that the Company has compensated the eligible equity shareholders by distributing the sale proceeds of the fractional entitlements in accordance with provisions of the Scheme and SEBI Master Circular.

For and on Behalf of the Independent Directors of
HLE Glascoat Limited



Yatish Parekh
Independent Director
DIN: 00168488



Place: Maroli, Navsari
Date: March 3, 2026