

7th August, 2023

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: Disclosures under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (“Listing Regulations”)

Dear Sir/Madam,

We wish to inform you that the Company has entered into definitive agreements on 7 August 2023 where it has agreed to acquire 70% stake in Kinam Engineering Industries (“Kinam”) by way of acquisition of ownership interest and profit share in Kinam, acquisition of 0.5% stake in Kinam Enterprises Private Limited (“KEPL”), succession of Kinam into a private limited company to be formed, and eventual amalgamation of KEPL with the Company, in each case subject to fulfilment of the obligations and conditions prescribed in the aforesaid agreement. The details of the transaction are contained in the Annexure below. It is clarified that the board approval for amalgamation of KEPL into the Company has not been obtained yet, and will be obtained in due course subject to fulfilment of the obligations and conditions prescribed in the aforesaid agreement.

The Meeting of the Board of Directors commenced at 3:30 p.m. and concluded at 5:30 p.m.

Kindly take the above on your records.

Yours faithfully,
For HLE Glascoat limited

ACHAL S. THAKKAR
Company Secretary &
Compliance Officer

Encl: as above

Annexure

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

Disclosure for agreement to acquire:

S. No	Particulars	Details
1	Name of the target entity, details in brief such as size, turnover etc.	<p>Name of Target: Kinam Engineering Industries</p> <p>Details of Target: Kinam Engineering Industries (“Kinam”) is a partnership firm with its registered office at 209, Champaklal Udyog Bhawan Industrial Premises Society Ltd, next to Sion Telephone Exchange, Sion (E), Mumbai - 400022, India.</p> <p>During the year ended 31st March, 2023, Kinam generated a turnover of INR 122,07,42,339</p> <p>Name of Target: Kinam Enterprises Private Limited</p> <p>Details of Target: Kinam Enterprises Private Limited (“KEPL”) is a company with its registered office at 746.3 Parikrama Apartment A Luncikui 62437 Navasari Gujarat. It was incorporated on 26 June 2023.</p>
2	Whether the acquisition would fall within related party transaction(s) and-whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	This acquisition would not fall within related party transactions.
3	Industry to which the entity being acquired belongs	Manufacturing of heat exchangers.
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	<p>Kinam is one of the leading manufacturers of Shell & Tube Heat Exchangers (STHE) and Corrugated Tube Heat Exchangers (CHTE).</p> <p>The Company is a leading manufacturer of process equipment for the chemical and pharmaceutical industries. This acquisition is aligned with our larger vision of becoming a leading player in the heat exchanger space and providing our customers with technologically advanced, high quality products with innovative designs, and complements our other recent acquisitions. We see this as a key driver of our growth.</p> <p>We consider Kinam as a long-term partner to establish a strong presence in the heat exchanger business. To</p>

		this end, the Company intends to acquire controlling stake in Kinam and consolidate the business of Kinam into the Company, by way of purchase of profit share and ownership interest in Kinam and subsequent amalgamation with the parent company of a partner of Kinam.
5	Brief details of any governmental or regulatory approvals required for the acquisition	No approval required for acquisition of 35.56% share in Kinam. The balance 34.44% share in Kinam will be acquired once KEPL amalgamates into the Company. This will be done post board, stock exchange, shareholder and NCLT approvals.
6	Indicative time period for completion of the acquisition	We expect to complete acquisition of 35.56% partnership interest in Kinam by 15 th October, 2023.
7	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration for acquisition of 35.56% partnership interest in Kinam from the partners of the firm – Mr Mehul Mehta and Mr Kirit Mehta.
8	Cost of acquisition or the price at which the shares are acquired	The Company will acquire 35.56% profit share and ownership interest in Kinam for an aggregate of INR 79,96,65,932.
9	Percentage of shareholding / control acquired and / or number of shares acquired	No approval required for acquisition of 35.56% share in Kinam. The balance 34.44% share in Kinam will be acquired once KEPL amalgamates into the Company. This will be done post board, stock exchange, shareholder and NCLT approvals.
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).	<p>Kinam is engaged in the business of manufacture and sale of heat exchangers and other related products for the chemical, petrochemical, fertilizers, refineries, pharmaceutical, biotech, oil, paper, steel, cosmetics and textile industries.</p> <p>Date of formation: 18 April 1981</p> <p>Turnover</p> <p>FY 2020-2021: INR 56,17,04,898 FY 2021-2022: INR 103,87,14,288 FY 2022-2023: INR 122,07,42,339</p> <p>Countries with presence: Manufacturing unit in India with exports to several countries including Germany, Netherlands, Israel, Malaysia, Egypt, South America, Kazakhstan, Poland and Turkey</p>