

To
The Board of Directors
Apollo Pipes Limited
37, Hargobind Enclave Vikas Marg,
East Delhi – 110092

Report of the Audit Committee of Apollo Pipes Limited on the Scheme of Arrangement for the Amalgamation amongst KML Tradelinks Private Limited (“Transferor Company 1”), Kisan Mouldings Limited (“Transferee Company 1” / “Transferor Company 2”) and Apollo Pipes Limited (“Transferee Company 2”/ “the Company”)

A meeting of the Audit Committee (“Committee”) of Apollo Pipes Limited was held on June 26, 2026, to consider and recommend the proposed Scheme of Arrangement for Amalgamation amongst KML Tradelinks Private Limited (“Transferor Company 1”), Kisan Mouldings Limited (“Transferee Company 1” / “Transferor Company 2”) and Apollo Pipes Limited (“Transferee Company 2”) under the provisions of Section 230 to 232 of the Companies Act, 2013 (“Scheme”/ “Scheme of Arrangement”), in accordance with the SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (“SEBI Master Circular”). The report of the Committee is being made in order to comply with the requirements of the aforesaid SEBI Master Circular. The Audit Committee has considered and reviewed the Scheme and drawn out the following major points:

1. Background:

1.1. Transferor Company 1

KML TRADELINKS PRIVATE LIMITED (hereinafter also referred to as “Transferor Company 1” or “KTPL”), bearing CIN U51909MH2016PTC281849 was incorporated on 31st May, 2016, under the provisions of Companies Act, 2013 as a private company with the name & style of “Inclination Trade & Commerce Private Limited” under the jurisdiction of Registrar of Companies, Maharashtra. Thereafter, on 19th February, 2017, the name of the Company was changed to its present name i.e. “KML Tradelinks Private Limited” after its acquisition by KML. The registered office of the Transferor Company 1 shifted from “Flat No D-201, 2nd Floor, D-Wing Sanghavi Tower Mira Bhayander Road, Mira Road (E) Thane, Mumbai to its current address i.e. “Tex Centre K Wing 3rd floor, 26-A Chandivili Road NR HDFC bank Andheri East, Mumbai, Maharashtra – 400072”, on 18th January, 2017. Further, KTPL is in the process of relocating its Registered Office from the state of Maharashtra to New Delhi. The Company is primarily incorporated with the objective to carry on the business of trading, marketing, import, export, distribution and dealing in wide range of products such as tyres, plastic and plastic products, pharmaceutical products, chemicals, metals, textiles, industrial goods, machinery, sheets, tubes, pipes and other allied products and materials.

Transferor Company 1 is a wholly owned subsidiary of Transferee Company 1.

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1.2. Transferee Company 1 or Transferor Company 2

KISAN MOULDINGS LIMITED (hereinafter also referred to as “Transferee Company 1” or “Transferor Company 2” or “KML”), bearing CIN L17120MH1989PLC054305 was incorporated on 20th November, 1989, under the provisions of Companies Act, 1956 as a private limited company with the name & style of “Sanwaria Synthetics Private Limited” under the jurisdiction of Registrar of Companies, Maharashtra. On 05th November, 1993, the company was converted into a public limited company and consequently its name was changed to “Sanwaria Synthetics Limited”. Thereafter, on 24th November, 1993, the name of the Company was changed to its present name i.e., “Kisan Mouldings Limited”. On 24th November 1993, the registered office of KML changed from “23/25, Ashok Chambers Devji Ratansey Marg, (Dana Bunder), Mumbai – 400009” to its present address i.e., Tex Centre, K-Wing, 3rd Floor 26-A, Chandivili Road, NR HDFC Bank, Andheri E, Mumbai, Maharashtra - 400072. Further, KML is in the process of relocating its Registered Office from the state of Maharashtra to New Delhi. KML is engaged in the business of manufacturing, moulding, processing, and trading of all types of plastics, polymers, and allied products. The Company deals in a wide range of PVC products including agricultural pipes and fittings, tubes, vessels and bathroom fittings, and related accessories. KML has been successfully manufacturing and marketing its products under the brand names ‘KISAN’ & ‘KML CLASSIC’ catering to commercial, industrial, construction, and household applications. The Equity Shares of KML are listed on the bourses of BSE Limited (BSE).

Transferor Company 2 is a subsidiary of Transferee Company 2.

1.3. Transferee Company 2

APOLLO PIPES LIMITED (hereinafter also referred to as “Transferee Company 2” or “APL”), bearing CIN L65999DL1985PLC022723 was incorporated on 09th December, 1985, under the provisions of Companies Act, 1956 as a public company with the name & style of “Amulya Leasing and Finance Limited” under the jurisdiction of Registrar of Companies, NCT of Delhi & Haryana. Pursuant to the Scheme of Amalgamation approved by the NCLT vide order dated November 8, 2017 the name of the Company was changed to its present name i.e., “Apollo Pipes Limited”. The registered office of APL is presently situated at 37, Hargobind Enclave Vikas Marg, East Delhi - 110092. APL is engaged in the business of manufacturing, processing, trading, and dealing in a wide range of products like pipes & fittings, or bathroom fittings, water storage or premium door & windows solutions and plastic products including PVC, HDPE and LDPE pipes, tubes, fittings, sheets, and allied plastic and polymer-based products and accessories. The Equity Shares of the Transferee Company 2 are listed on the bourses of BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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1.4. The following documents were tabled at the meeting and reviewed by the Audit Committee:

- Draft Scheme of Arrangement;
- Valuation Report issued by Axiology Valuetech Private Limited, Registered Valuer Entity, recommending the Share Exchange Ratio in relation to the proposed Amalgamation 2; and
- Fairness Opinion issued by Corporate Professionals Capital Private Limited, SEBI Registered Merchant Banker, on the Valuation Report.

2. Need and rationale of the Scheme is as follows:

The Committee noted the following salient features of the Scheme:

The proposed Scheme of Arrangement providing for amalgamation in two stages i.e.: (i) the amalgamation of the wholly owned subsidiary, i.e. the Transferor Company 1, with its holding company, KML; followed by (ii) the amalgamation of KML with the Transferee Company 2 wherein KML is a subsidiary of Transferee Company 2, is expected to result, inter alia, in the following synergies for all the Companies, thereby preserving and enhancing value for their respective shareholders, creditors and other stakeholders:

- All the Companies are engaged in similar lines of business. The proposed Amalgamation is expected to enhance overall operational efficiency through the realization of economies of scale, rationalization of operations, and improved cash flow management. The ultimate combined entity will benefit from seamless access to cash flows, facilitating more efficient reinvestment into business development and growth initiatives. Further, the Amalgamation is likely to reduce administrative and compliance burdens, and optimize value for the shareholders.
- The Amalgamation is expected to facilitate more efficient and optimal utilization of resources through the integration of the managerial, technical, and financial strengths of the Transferor Company 1, KML and the Transferee Company 2, thereby supporting business growth and strengthening the ability to effectively respond to increasing competitive pressures.
- The Amalgamation is expected to reduce the duplication of legal and regulatory compliances that are presently required to be undertaken separately by all the Companies.
- Upon consolidation of business operations of Transferor Company 1, KML and the Transferee Company 2, the ultimate combined entity is expected to achieve a broader product portfolio, economies of scale, enhanced operational efficiencies, and optimization of logistics and distribution networks, along with other related synergies.

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- Expanded financial strength and scale, facilitating improved access to domestic and international capital markets, enabling fund raising on favorable terms, and supporting accelerated expansion, modernization and growth plans of the Transferee Company 2.
- A single entity will have a larger and more liquid equity base, improved market visibility, and wider investor participation, amongst others thereby creating value for shareholders.

In summary, the amalgamation amongst Transferor Company 1, KML and the Transferee Company 2 is driven by strategic business considerations aimed at integrating and sustaining the businesses of all companies, establishing a stronger foundation, and enhancing market competitiveness through the combined strengths of the entities. The Amalgamation is expected to result in operational and business synergies, improved efficiencies, strengthened financial stability and performance, and the creation and preservation of long-term value for all stakeholders.

3. Synergies of Business of the entities involved in the Scheme:

- 3.1 Pooling of managerial and technical expertise of KTPL, KML and the Company. Thus, enabling better management and focus on growing the businesses.
- 3.2 The combined scale and customer reach of the merged entity will enable it to compete effectively in the market;
- 3.3 The proposed amalgamation would result in reduction of overheads, administrative, managerial and other expenditure and bring about operational rationalization, efficiency and optimum utilization of various resources.
- 3.4 Synergies created by scheme of arrangement would increase operational efficiency and integrate business functions.
- 3.5 A larger growing Company will mean enhanced financial and growth prospects for the people and organisation connected therewith, along with the public interest. The amalgamation will be conducive to more efficient and economical control over the business and better market reach.

4. Cost Benefit Analysis of the Scheme:

All the entities involved in the Scheme belong to the same industry and the proposed amalgamation would enable all the Companies to achieve operational efficiency and economies of scale by consolidating their respective resources thereby providing the benefits of cost reduction that can improve financial efficiencies in the long run.

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5. Impact of the Scheme on the Shareholders:

The Audit Committee discussed and deliberated upon the rationale and expected benefits of the Scheme. The Audit Committee also reviewed the aforesaid Valuation Report in which share exchange ratio has been determined on the basis of financials of the Transferor Company 2 and the Transferee Company 2 as on 31st March 2026 and Fairness Opinion obtained from the Independent Merchant Bankers on the Valuation Report. The Committee noted the followings:

- 5.1 As per the Valuation Report, value per share of the Transferor Company 2 is arrived at INR 24.64/- and that of the Company is INR 496.53/-. Based on this, the share exchange ratio is as follows:

“4.96 (Four Point Nine Six) Equity Shares of Face Value of INR 10 /- (Rupee Ten Each) each of the Transferee Company 2 for every 100 (Hundred) Equity Share of Face Value of INR 10/- (Rupee Ten Each) each held by them in Transferor Company 2.”

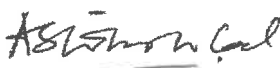
- 5.2 Upon approval of the Scheme by the National Company Law Tribunal, the Shareholders of Transferor Company 2 as on the ‘Record Date’ shall be entitled to get the equity shares in the Transferee Company 2 on the basis of share exchange ratio determined as per the aforementioned Valuation Report submitted to this committee.

In light of the above, the Scheme will not adversely affect the rights or interest of any stakeholder of the Transferee Company 2 including its shareholders or creditors.

6. Recommendations of the Audit Committee

Having considered the documents, Valuation Report, Fairness Opinion, the Audit Committee hereby recommends the draft Scheme for favorable consideration of the Board of Directors of the Company, Stock Exchanges, and Securities and Exchange Board of India and such other Authorities, as applicable.

By the order of Audit Committee
For Apollo Pipes Limited



Abhilash Lal
Chairman of the Committee
DIN: 03203177



Date: 26.06.2026
Place: Gurgaon

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