

10th August, 2016

**The Corporate Relationship Dept.,
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhoy Towers,
1st Floor, New Trading Ring
Rotunda, Dalal Street,
Mumbai - 400 001.**

**Listing Department
National Stock Exchange of India Ltd.,
Exchange Plaza,
Plot No. C/1, Block-G,
Bandra-Kurla Complex,
Bandra (E) Mumbai - 400 051**

Dear Sirs,

Sub: Scheme of Arrangement

We wish to inform you that the Board of Directors at its meeting held today has approved a Scheme of Arrangement between the Company and HHRPL (a wholly owned subsidiary of the Company) and their respective Shareholders and creditors for demerger of the retail business undertaking of HHRPL into the Company, subject to requisite approvals.

We enclose herewith the information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015, in the prescribed format.

This is for your information and record.

For HSIL Limited



(Payal M Puri)

Company Secretary

Name: Payal M. Puri
Address: IA 35A, Phase 1 Ashok Vihar, Delhi, 110052
Membership No. 16068

Encl: As above

HSIL Limited

(An ISO 9001 14001 OHSAS 18001 Certified Company)

Corporate Office: 301-302, IIIrd Floor Park Centra, Sector-30, NH-8, Gurgaon, Haryana - 122 001. T +91-124-4779200, F +91-124-4292898/99

Registered Office: 2, Red Cross Place, Kolkata, West Bengal - 700 001. T +91-33-22487406/07, F +91-33-22487045

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India's most awarded & certified bathroom products company

(a) **Brief details of the division(s) to be demerged:**

The proposed composite scheme of arrangement ("**Proposed Scheme**") among HSIL Limited ("**Company**"), Hindware Home Retail Private Limited ("**HHRPL**"), a wholly owned subsidiary of the Company, and their respective shareholders and creditors *inter alia* proposes to demerge the retail business undertaking of HHRPL and transferring and vesting the same to the Company on a going concern basis, on and with effect from the Appointed Date (as defined in the Proposed Scheme).

(b) **Turnover of the demerged division (i.e. Retail Business undertaking of HHRPL) and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year:**

Turnover of Retail Business of HHRPL (Rs. Lakhs) fy 2015-16	% to the total turnover of HSIL Standalone (the Company)
INR 9335	4.9%

(c) **Rationale for demerger:**

The rationale for the proposed demerger are, *inter alia*, as follows:

- ensuring provision of adequate and necessary financial support and managerial capabilities of the Company for the growth of retail business undertaking;
- consolidating retail business undertaking with the Company to achieve synergies in operations and optimal utilization of resources, thereby reducing operating costs of running the retail business undertaking;
- reducing the *inter se* transactions between the Company and HHRPL, thereby reducing administrative costs and achieving efficiencies; and
- enhancing the shareholders' value of the Company and HHRPL.

(d) **Brief details of change in shareholding pattern (if any) of all entities:**

There is no change in shareholding pattern of the Company and HHRPL pursuant to the Proposed Scheme.

(e) **In case of cash consideration – amount or otherwise share exchange ratio:**

The Company is not paying any cash consideration or issuing any shares under the Proposed Scheme.

(f) **Whether listing would be sought for the resulting entity.**

The resulting entity (i.e. the Company) is already listed.

For HSIL LIMITED

 COMPANY SECRETARY

HSIL Limited

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