

March 27, 2025

**The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
1st Floor, New Trading Ring
Rotunda, Dalal Street,
Mumbai - 400 001
(BSE Scrip Code: 542905)**

**Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C-1, Block-G,
Bandra-Kurla Complex,
Bandra (E) Mumbai - 400 051
(NSE Symbol: HINDWAREAP)**

Sub: Outcome of Board Meeting

Ref.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding approval of the Composite Scheme of Arrangement by the Board of Directors of Hindware Home Innovation Limited

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), we wish to inform you that the Board of Directors of Hindware Home Innovation Limited (“**Company**”) has approved a Composite Scheme of Arrangement between the Company (also referred to as “**Demerged Company/Remaining Transferor Company**”), HHIL Limited (“**Resulting Company**”), Hindware Limited (“**Transferee Company**”), and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 of the Companies Act, 2013, in its meeting held on March 27, 2025, after considering the recommendations of the Audit Committee and the committee of the Independent Directors of the Company. The Appointed Date under the Scheme is April 1, 2025.

Presently, the Resulting Company is a wholly owned subsidiary of the Demerged Company. The Transferee Company is a subsidiary of the Remaining Transferor Company, which holds approximately ~98.6% (ninety-eight-point six percent) of the paid-up share capital (including 0.4% through partly paid-up equity shares calculated on a fully diluted basis) of the Transferee Company. The remaining ~1.4% (one point four percent) shares of the Transferee Company (*i.e.*, partly paid-up shares calculated on fully diluted basis) are held by certain past and present employees of the Transferee Company.

The Company has 2 (two) distinct business segments:

- (i) Consumer Products Business, which *inter-alia* comprises of kitchen appliance, consumer appliance, fixtures and fitting, offline retail, water heaters, carried through a joint venture company Hintastica Private Limited, and online retail undertaken through its wholly owned subsidiary *i.e.*, Evok Homes Private Limited; and

- (ii) Building Products Business, which *inter-alia* comprises of sanitaryware, faucets, tiles, other bath fittings, pipes, fittings and related building products. The Building Products Business of the Remaining Transferor Company is being carried out through its subsidiary, *i.e.*, Transferee Company.

The Scheme *inter-alia* envisages:

- (i) demerger of the Consumer Product Business comprising of all associated activities, assets, liabilities, from the Demerged Company into the Resulting Company on a going concern basis and issue of equity shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof (refer **Annexure A**);
- (ii) amalgamation of the Remaining Transferor Company (after giving effect to the demerger as stated in (i) above) primarily comprising of its investments in the shares of the Transferee Company, with the Transferee Company and issue of equity shares by the Transferee Company to the shareholders of the Remaining Transferor Company, in consideration thereof (refer **Annexure B**); and
- (iii) Pursuant to the demerger as stated in (i) above, the shareholders of the Demerged Company shall be issued and allotted, on a proportionate basis, 1 (one) fully paid-up equity share of the Resulting Company for every 1 (one) fully paid-up equity share held in the Demerged Company. Similarly, post the effect of the amalgamation as stated in (ii) above, the shareholders of the Remaining Transferor Company shall be issued and allotted, on a proportionate basis, 1 (one) fully paid-up equity share of the Transferee Company for every 1 (one) fully paid-up equity share held in the Remaining Transferor Company.

The Company shall apply to the National Stock Exchange of India Limited and BSE Limited (“**Stock Exchanges**”) for obtaining their ‘no-objection letters’ pursuant to Regulation 37 of the LODR Regulations. The Scheme is subject to the applicable approval *inter-alia* of the Board of Directors, shareholders and creditors of the companies involved as well as the approval of the Hon’ble National Company Law Tribunal, having jurisdiction over the companies involved in the Scheme. Subsequent to the Scheme coming into effect, the Resulting Company and the Transferee Company shall apply for a listing of its equity shares over Stock Exchanges in accordance with the Scheme.

The disclosures as required under Regulation 30 and Schedule III of the LODR Regulations, read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, and SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, are enclosed herewith and marked as ‘**Annexure A**’ and ‘**Annexure B**’.

The meeting commenced at 3:15 P.M. and concluded at 3:55 P.M.

This is for your information and records.

Yours faithfully,

For Hindware Home Innovation Limited

(Payal M Puri)

Company Secretary & Sr. V. P. Group General Counsel

Name: Payal M Puri

Address: 301-302, 3rd Floor, Park Centra, Sector-30, Gurugram-122001

Membership No.: 16068

Annexure A

Disclosure pursuant to Regulation 30 and Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD PoD-1/P/CIR/2023/123 dated July 13, 2023.

Brief details of Demerger – a part of the composite scheme of arrangement

S. No.	Particulars	Details
1.	Brief details of the division(s) to be demerged	<p><u>Demerged Undertaking of the Company</u></p> <p>The entire undertaking comprising of the ‘Consumer Product Business’ together with all associated activities, assets, liabilities.</p> <p>‘Consumer Products Business’ means business <i>inter-alia</i> comprising of kitchen appliance, consumer appliance, fixtures and fitting, offline retail, water heaters, carried through a joint venture company Hintastica Private Limited, and online retail undertaken through its wholly owned subsidiary i.e., Evok Homes Private Limited.</p>
2.	Turnover of the demerged division 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	<p>The turnover of the Demerged Undertaking <i>i.e.</i>, Consumer Products Business division as on 31st March, 2024 was INR 438.59 crores .</p> <p>The turnover of the Demerged Undertaking is 100% to the total turnover of the Company in the financial year ending 31st March, 2024.</p>
3.	Rationale for the demerger	<p>The Demerged Company has 2 (two) distinct business segments:</p> <p>(i) Consumer Products Business; and</p> <p>(ii) Building Products Business, which <i>inter-alia</i> comprises of sanitaryware, faucets, tiles, other bath fittings, pipes, fittings and related building products. The Building Products Business of the Remaining Transferor Company is being carried out through the Transferee Company.</p> <p>Both the Consumer Products Business and Building Products Business have distinct:</p>

		<ul style="list-style-type: none"> (i) distribution channels, influencers, competition, challenges and opportunities for its business and products; (ii) capital requirements, working capital and associated risk and returns in carrying on their respective business; (iii) skill required for manufacturing, technology, installation and customer service and manpower requirements; and (iv) strategic and financial investors' interest. <p>As part of the composite Scheme, the Consumer Product Business, along with its associated activities, assets, and liabilities, is being demerged from the Demerged Company into the Resulting Company on a going concern basis. Additionally, the Remaining Transferor Company, which primarily comprises of its investments in the shares of the Transferee Company, is being amalgamated into and with the Transferee Company as explained in Annexure B.</p> <p>Accordingly, the Scheme will enable:</p> <ul style="list-style-type: none"> (i) unlocking the value in each business for the shareholders of the companies involved in the Scheme, attracting different sets of strategic and financial investors, making it easier to access growth capital for the respective companies, and providing investors with the flexibility to invest in relevant business according to their strategies and risk profiles; (ii) creation of focused companies, leading to improved management, better visibility on each business's performance, more effective resource allocation for growth, and better risk management; and (iii) streamlining the corporate structure, resulting in greater operational efficiency and implementing smoother and effective controls and processes.
--	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>4.</p>	<p>Brief details of change in shareholding pattern (if any) of all entities</p>	<p>Pursuant to the demerger of the Consumer Product Business comprising of all associated activities, assets, liabilities, from the Demerged Company into the Resulting Company on a going concern basis, the Resulting Company shall issue and allot equity shares on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Company as on the Record Date for Demerger (<i>as defined in the Scheme</i>).</p> <p>Accordingly, there would not be any change in the shareholding pattern of the promoters or the public shareholders on an aggregate basis.</p>
<p>5.</p>	<p>In case of cash consideration – amount or otherwise share exchange ratio</p>	<p>No cash consideration is payable under the proposed Scheme. For the demerger of the Consumer Product Business comprising of all associated activities, assets, liabilities of the Demerged Company into the Resulting Company on a going concern basis, the Resulting Company shall issue and allot on a proportionate basis to each shareholder of the Company whose name is recorded in the register of members and records of the depository as members of the Company as on the Record Date for Demerger (<i>as defined in the Scheme</i>), as under:</p> <p><i>1 (One) fully paid-up equity share having face value of INR 2 (Two) each of the Resulting Company, credited as fully paid up, for every 1 (One) fully paid-up equity share having face value of INR 2 (Two) each of the Demerged Company as held by such shareholder/member in the Demerged Company, without any further application, act, deed, instrument or consent.</i></p> <p>The above-mentioned share entitlement ratio has been derived based on the Valuation Report dated March 27, 2025, issued by Ernst & Young Merchant Banking Services LLP, an IBBI registered valuer and Fairness Opinion dated March 27, 2025, issued by Corporate Professionals Capital Private Limited, an independent SEBI Registered Merchant Banker.</p> <p>Further, the aforesaid valuation report provides that the share entitlement ratio would not have any impact on the ultimate value of the shareholders of Demerged Company and the demerger will be value-neutral to the shareholders of the Demerged Company. Additionally,</p>

		as stated in the SEBI Master Circular SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023, valuation is not required in cases where there is no change in shareholding pattern in the resultant company. Therefore, the valuation of the Resulting Company or the Demerged Undertaking are not carried out by the registered valuer.
6.	Whether listing would be sought for the resulting entity	Yes. The new equity shares to be issued by the Resulting Company are proposed to be listed on BSE Limited and National Stock Exchange of India Limited.

Annexure B

Brief details of Amalgamation– a part of the composite scheme of arrangement

Sr. No.	Particulars	Description
1.	Name of the entity (ies) forming part of the amalgamation/ merger, details in brief such as, size, turnover etc.	<p>“Remaining Transferor Company”) refers to Hindware Home Innovation Limited after giving effect to the Demerger of the Demerged Undertaking into the Resulting Company as stated in Annexure A and primarily comprising of Building Product Business carried on through its investments in shares of the Transferee Company.</p> <p>(Hindware Home Innovation Limited is a public listed company, incorporated under the Companies Act, 2013, having corporate identity number L74999WB2017PLC222970 and having its registered office at 2, Red Cross Place, Kolkata, West Bengal-700001, India).</p> <p>The financial details of the Remaining Transferor Company (without reference to the Demerged Undertaking) as on 31st December, 2024 are as follows:</p> <ul style="list-style-type: none"> • Total assets: INR 0.10 Crores • Net worth: INR 0.10 Crores • Turnover: Nil <p><u>Hindware Limited</u> (“Transferee Company”)</p> <p>Hindware Limited is a public unlisted company incorporated under the Companies Act, 2013, having corporate identity number U74999WB2017PLC223307 and having its registered office at 2, Red Cross Place, Kolkata, West Bengal-700001, India. The Transferee Company is a subsidiary of the Demerged Company, which holds approximately ~98.6% (ninety-eight-point six percent) of the paid-up share capital (including partly paid-up equity shares calculated on a fully diluted basis) of the Transferee Company. The remaining shares (<i>i.e.</i>, ~1.4% (one point four percent) of the Transferee Company are held by past and present employees of the Transferee Company.</p>

		<p>The financial details of the Transferee Company as on 31st December, 2024 are as follows:</p> <ul style="list-style-type: none"> • Total assets: INR 2071.43 Crores • Net worth: INR 486.06 Crores • Turnover: INR 1541.36 Crores
2.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at 'arm's length'.	<p>Yes, the transaction is a related party transaction and is on an arm's length basis.</p> <p>However, in terms of General Circular No. 30/2014 dated July 17, 2014, issued by Ministry of Corporate Affairs, the transactions arising out of compromises, arrangements and amalgamations under the Companies Act, 2013 ("Act"), will not attract the requirements of Section 188 of the Act.</p>
3.	Area of business of the entity(ies)	<p><u>Remaining Transferor Company:</u> Primarily comprising of Building Products Business carried on through its investments in shares of the Transferee Company.</p> <p><u>Hindware Limited</u> (Transferee Company), along with its subsidiaries, is, <i>inter alia</i>, engaged in the Building Products Business which primarily comprises of sanitaryware, faucets, tiles, other bath fittings, pipes, fittings and related building products.</p>
4.	Rationale for the amalgamation/merger	<p>As stated earlier, the Demerged Company/ Remaining Transferor Company has 2 (two) distinct business segments: (i) Consumer Products Business; and (ii) Building Products Business.</p> <p>Both the Consumer Products Business and Building Products Business have distinct:</p> <ul style="list-style-type: none"> (i) distribution channels, influencers, competition, challenges and opportunities for its business and products; (ii) capital requirements, working capital and associated risk and returns in carrying on their respective business; (iii) skill required for manufacturing, technology, installation and customer service and manpower requirements; and

		<p>(iv) strategic and financial investors' interest.</p> <p>As part of the Scheme, the Consumer Product Business, along with its associated activities, assets, and liabilities, is being demerged from the Demerged Company into the Resulting Company on a going concern basis (as stated in Annexure A). Additionally, the Remaining Transferor Company, which primarily comprises of its investments in the shares of the Transferee Company, is being amalgamated into and with the Transferee Company.</p> <p>Accordingly, the Scheme will enable:</p> <ul style="list-style-type: none"> (i) unlocking the value in each business for the shareholders of the companies involved in the Scheme, attracting different sets of strategic and financial investors, making it easier to access growth capital for the respective companies, and providing investors with the flexibility to invest in relevant business according to their strategies and risk profiles; (ii) creation of focused companies, leading to improved management, better visibility on each business's performance, more effective resource allocation for growth, and better risk management; and (iii) streamlining the corporate structure, resulting in greater operational efficiency and implementing smoother and effective controls and processes.
5.	In case of consideration – amount or otherwise share exchange ratio;	<p>For the amalgamation of the Remaining Transferor Company with the Transferee Company, the Transferee Company shall issue and allot, on a proportionate basis to each shareholder of the Remaining Transferor Company, whose name is recorded in the register of members as member of the Remaining Transferor Company as on the Record Date for Amalgamation (<i>as defined in the Scheme</i>), as under:</p> <p><i>1 fully paid-up equity share of INR 2 each of the Transferee Company, credited as fully paid up, for every 1 fully paid-up equity share of INR 2 each of the Remaining Transferor Company.</i></p>

		<p>The above-mentioned share exchange ratio has been derived based on the Valuation Report dated March 27, 2025, issued by Ernst & Young Merchant Banking Services LLP, an IBBI registered valuer and Fairness Opinion dated March 27, 2025, issued by Corporate Professionals Capital Private Limited, an independent SEBI Registered Merchant Banker.</p>
6.	<p>Brief details of change in shareholding pattern (if any) of the listed entity.</p>	<p>Pursuant to amalgamation of the Remaining Transferor Company, primarily comprising of its investments in the shares of Transferee Company, with the Transferee Company, the Transferee Company shall issue and allot equity shares on a proportionate basis to each shareholder of the Remaining Transferor Company, whose name is recorded in the register of members as member of the Remaining Transferor Company as on the Record Date for Amalgamation (<i>as defined in the Scheme</i>).</p> <p>Accordingly, the shareholders of the Remaining Transferor Company shall be issued and allotted, on a proportionate basis, 1 (one) fully paid-up equity share of the Transferee Company for every 1 (one) fully paid-up equity share held in the Remaining Transferor Company.</p> <p>Pursuant to the Scheme, the Remaining Transferor Company will be dissolved without being wound up.</p>