



HSIL further builds on customer service excellence with demerger of three business undertakings

New Delhi, November 10th 2017: HSIL Limited in its meeting today approved a scheme of arrangement envisaging demerger of three of its business undertakings into two new entities. The scheme involves:

- Demerger of its Consumer products distribution & marketing business to into new entity **Somany Home Innovation Limited (SHIL)**,
- Demerger of its furniture and Home décor Retail business into SHIL, and
- Demerger of distribution & marketing business relating to building product into another new entity **Brilloca Limited** which is wholly owned subsidiary of SHIL.

The undertakings being demerged are focused on servicing end-consumers in the market and are involved in branding, marketing, sales, distribution, trading, service etc. Post demerger, HSIL will be a focused excellence of manufacturing entity. The segregation & demerger of businesses under the Scheme will enable:

- Sharper focus and better alignment of the businesses to its customers,
- Improved competitiveness, operational efficiencies and strengthening of position in the relevant marketplaces,
- Optimal monetization and development of each of the respective businesses, including by attracting focused investors and strategic partners having the necessary ability, experience and interests in the relevant sectors,
- Dedicated and specialized management focus on the specific needs of the respective businesses, and
- Benefit to all stakeholders, leading to growth and value creation in long run and maximizing the value and return to the shareholders, unlocking intrinsic value of assets, achieving cost efficiencies and operational efficiencies.

Post demerger, SHIL will issue one equity share each of SHIL, for one equity share held by shareholders of HSIL and SHIL equity shares would be listed on stock exchanges. The appointed date of the Scheme is 1st April 2018. The aforesaid is subject to necessary regulatory approvals including approval from stock exchanges, Hon'ble NCLT.

Mr. Sandip Somany, Vice Chairman and Managing Director, HSIL Limited mentioned that, *“Certain key initiatives taken by the company over last 2-3 years like launch of consumer business has now started reflecting in sales growth and in couple of months the UPVC/CPVC pipe business and security caps and closure business is also expected to go on-stream. The new capacities created for these are expected to be fully utilized in next 12-18 months and will further strengthen the product and distribution portfolio of the company.”*

He further stated that, *“The scheme of demerger once implemented will significantly unlock the value of the respective businesses of HSIL and will support the long term growth.”*



Board also approved the results for the quarter and half year ended 30th September 2017. Key highlight of the results is continued excellent performance by consumer products business with sales growth of 93% and 92% during Q2 and 1st half of current financial year respectively. Company had launched consumer business around two years back and business has demonstrated sales growth over 90% annually since launch. The consumer business product portfolio currently consist of kitchen chimneys, hobs, water heaters, water purifiers, air purifiers and air coolers. The building products sales growth is 6.7 % during the quarter with EBIT growth of 8.6%.

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