ıdware

ate: 17th August, 2016

The General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai 400 001

Scrip Code: 500187

Sub: Application under Regulation 37 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the proposed Composite Scheme of Arrangement between HSIL Limited ("The Transferee"), Hindware Home Retail Private Limited ("The Transferor") and their respective Shareholders and Creditors.

Dear Sir/ Madam,

We refer to our letter dated 10th August, 2016 informing you about the decision of the board of directors of the Company approving the Composite Scheme of Arrangement between the Companies, HSIL Limited ("The Transferee"), Hindware Home Retail Private Limited ("The Transferor") and their respective shareholders and creditors.

In continuation of the aforesaid, we are now applying under Regulation 37 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015. Enclosed is the checklist duly filed in together with the enclosures required thereto.

We would like to inform you that, National Stock Exchange of India Ltd. has been appointed as designated stock exchange.

Please find enclosed herewith the demand draft bearing number 929632 dated 17th August, 2016 amounting to Rs. 1,05,000 (processing fee plus service tax as applicable) after deducting TDS drawn on Standard Chartered Bank favoring the BSE Limited.

We will be pleased to provide any clarification as you may require in this regard. We request you to kindly grant your approval to the Scheme at your earliest convenience.

Thanking you,

For HSIL Limited

Payal M Puri
(Company Secretary)

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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COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
HSIL LIMITED,
HINDWARE HOME RETAIL PRIVATE LIMITED, AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ("SCHEME")

Documents required to be submitted for approval under Regulation 37 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Scheme / Amalgamation / Arrangement (including reduction of capital, arrangement with the creditors etc.) proposed to be filed under Sections 391 to 394 read with Sections 100-104 of the Companies Act, 1956 and/or applicable Sections of the Companies Act, 2013 (as notified).

Sr. No.	Documents to be submitted along with application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Annexures	Page Nos.
1.	Certified true copy of the resolution passed by the Board of Directors of the Company.	I	1-6
2.	Certified copy of the draft Scheme of Amalgamation / Arrangement, etc. proposed to be filed before the High Court.	II	7-31
3.	Valuation report from Independent Chartered Accountant **as applicable** as per Para I(A)(4) of Annexure I of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.	III	32-44
4.	Report from the Audit Committee recommending the draft scheme taking into consideration, inter alia, the report at sr. no. 3 above.	IV	45-46
5.	Fairness opinion by Merchant Banker.	V	47-57
6.	Shareholding pattern of all the Companies pre and post Amalgamation / Arrangement as per Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	VI	58-72
7.	Audited financials of the transferee/resulting and transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per **Annexure I. Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (where it is due) accompanied mandatorily by the Limited Review Report of the auditor.**	VII	73-74
8.	Quarterly compliance Report on Corporate Governance as per Regulation 27 (2)(a) of the	VIII	75-78

	SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as per the prescribed format.		
9.	Complaint report as per Annexure III of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 (To be submitted within 7 days of expiry of 21 days from the date of uploading of Draft Scheme and related documents on Exchange's website).	To be submitted within 7 days of expiry of 21 days from the date of filing of Draft Scheme	
10.	Compliance report with the requirements specified in Part-A of Annexure I of SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 as per the prescribed format.	IX	79-80
11.	If as per the company, approval from the shareholders through postal ballot and e-voting, as required under **Para (I)(A)(9)(a) of Annexure I of SEBI Circular no.** CIR/CFD/CMD/16/2015 dated November 30, 2015, is not applicable then as required under Para (I)(A)(9)(c) of said SEBI circular, submit the following: a) An undertaking certified by the auditor clearly stating the reasons for non-applicability of Sub Para 9(a) b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	a) X b) Same as attached in Annexure-I	81-83
12.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE.	NSE	
13.	Brief details of the transferee/resulting and transferor/demerged companies as per the prescribed format.	XI	84-91
14.	Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the transferee and/or resulting company.	XII	92-94
15.	Capital evolution details of the transferee/resulting and transferor/demerged companies as per the prescribed format.	XIII	95-97
16.	Confirmation by the Managing Director/ Company Secretary as per the prescribed format.	XIV	98-99
17.	Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para **(I)(A) (5)(a) of Annexure I of SEBI Circular no.** CIR/CFD/CMD/16/2015 dated November 30, 2015 as per the format given	XV	100-101

	in **Annexure II of aforesaid SEBI Circular.** as per the prescribed format.		
18.	Annual Report of all the listed transferee / resulting/demerged/etc. companies involved and audited financial of the unlisted transferor/demerged/resulting/etc. companies for the last financial year.	XVI	102-340
19 .	Processing fee (non-refundable) payable will be as below, **favoring 'BSE Limited'** Rs. 1,00,000/- plus Service Tax as applicable, where one entities/companies are Merged or one new company formed due to De-merger Rs. 2,00,000/- plus Service Tax as applicable, where more than one entity /company is Merged or more than one new company formed due to De-merger.	XVII	341
20.	Name & Designation of the Contact Person Telephone Nos. (landline & mobile) Email ID.	Payal M Puri, Company Secretary. Mob. No. 8800212003 Landline no. 0124 4779380 Email ID. payal@hindware.co.in	

Kindly note that all pages of the documents/details provided should be serially numbered, stamped and certified by the authorized signatory of the company.

Kindly also submit one additional set of the documents at sr. nos. 2 to 11 separately (hard copy as well as soft copy emailed to *"bse.schemes@bseindia.com"* mentioning company name as subject, for uploading on the Exchange website).

The Exchange reserves the right to modify and ask for additional documents / clarifications depending on a case to case basis. Approval for the proposed scheme will be subject to compliance with the Statutory/ Regulatory requirements, norms of the Board of Directors of the Exchange and other Exchange requirements.

Annexure-I

hindware

EXTRACTS OF THE MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD ON WEDNESDAY, THE 10TH AUGUST, 2016 AT THE CORPORATE OFFICE OF THE COMPANY AT 301-302, PARK CENTRA, NH-8, SECTOR 30, GURGAON AT 02:00 P.M.

A. **APPROVAL OF THE COMPOSITE SCHEME OF ARRANGEMENT UNDER SECTIONS 391 TO 394, READ WITH SECTIONS 100-104 OF THE COMPANIES ACT, 1956 AND/OR APPLICABLE SECTIONS OF THE COMPANIES ACT, 2013, BETWEEN HINDWARE HOME RETAIL PRIVATE LIMITED (THE "TRANSFEROR") AND HSIL LIMITED (THE "TRANSFEREE") AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

B. **RATIFICATION OF APPOINTMENT OF M/S AARA & COMPANY, CHARTERED ACCOUNTANTS AS VALUERS OF THE COMPANY AND TAKE ON RECORD THE VALUATION REPORT PREPARED BY THEM.**

C. **RATIFICATION OF APPOINTMENT OF M/S CORPORATE PROFESSIONALS CAPITAL PRIVATE LIMITED AS MERCHANT BANKER OF THE COMPANY AND TAKE ON RECORD THE FAIRNESS OPINION PREPARED BY THEM.**

D. **AUTHORIZATION OF PERSONNEL OF THE COMPANY FOR UNDERTAKING ACTIVITIES ANCILLARY TO THE PROPOSED COMPOSITE SCHEME OF ARRANGEMENT**

"**RESOLVED THAT** pursuant to the (i) provisions of Sections 391 to 394 read with Sections 100-104 of the Companies Act, 1956 and/or applicable sections of the Companies Act, 2013, upon their notification (including any statutory modifications or re-enactments thereof); (ii) enabling provisions in the Memorandum and Articles of Association of the Company; and (iii) recommendation of the Audit Committee of the Company at their meeting held on 10th August, 2016; and subject to (i) approval of the shareholders and creditors of the Company (unless dispensed with as per the order of the Hon'ble High Court of Calcutta or National Company Law Tribunal (as applicable)); (ii) sanction of the scheme by the Hon'ble High Court of Calcutta or National Company Law Tribunal (as applicable); (iii) such approvals as may be necessary from the Securities and Exchange Board of India ("**SEBI**") and Stock Exchanges where the shares of the Company are listed and such other forum or authority as may be required; and (iv) compliance with all applicable securities laws, regulations and circulars, the consent of the Board be and is hereby accorded to the composite scheme of arrangement proposed to be entered into between Hindware Home Retail Private Limited, a wholly owned

For HSIL LIMITED

CERTIFIED TRUE COPY

COMPANY SECRETARY

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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subsidiary of the Company (the "**Transferor**"), the HSIL Limited (the "**Transferee**") and their respective shareholders and creditors ("**Proposed Scheme**"), to demerge the Demerged Undertaking (as more precisely defined in the Proposed Scheme), comprising the retail business undertaking of the Transferor, from the Transferor and transfer the same to the Transferee, on a going concern basis with effect from the Appointed Date (as defined in the Proposed Scheme) .

RESOLVED FURTHER THAT the report of Audit Committee, duly signed by the Chairman of the Audit Committee, recommending the Proposed Scheme, as placed before the Board be and is hereby accepted and noted.

RESOLVED FURTHER THAT the draft of the Composite Scheme of Arrangement, under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and/or applicable sections of the Companies Act, 2013, between Hindware Home Retail Private Limited ("**Transferor**") and the HSIL Limited ("**Transferee**") and their respective shareholders and creditors, duly initialed by the Chairman of the meeting for the purpose of identification, placed before the Board be and is hereby considered and approved.

RESOLVED FURTHER THAT the undertaking with regard to the non-applicability of requirement as prescribed in the term of Para 1(A)(9)(a) of Annexure I of the Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 issued by SEBI, in respect of the Proposed Scheme duly certified by the Statutory Auditors of the Company *i.e.* M/s Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as placed before the Board be and is hereby considered and approved.

RESOLVED FURTHER THAT appointment of M/s Aara & Company, Chartered Accountants, as valuers of the Company is hereby ratified and approved and the valuation report dated 9th August, 2016 prepared by them, as placed before the Board, be and is hereby taken on record.

RESOLVED FURTHER THAT appointment of M/s Corporate Professionals Capital Private Limited, Merchant Banker, is hereby ratified and approved and the fairness opinion dated 9th August, 2016 prepared by M/s Corporate Professionals Capital Private Limited, Merchant Banker, with respect to valuation of assets/shares of the Company and Hindware Home Retail Private Limited ("**Transferor**") as done by the valuer, as placed before the Board, be and is hereby taken on record.

For HSIL LIMITED

COMPANY SECRETARY

RESOLVED FURTHER THAT the National Stock Exchange of India Limited be and is hereby chosen as the designated stock exchange for coordinating with SEBI and obtaining SEBI's comments/approval on the Proposed Scheme (including the Observation Letter) under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 issued by SEBI.

RESOLVED FURTHER THAT the consent of the Board be and is hereby accorded for giving consent as a shareholder and /or creditor of Hindware Home Retail Private Limited, a wholly owned subsidiary of the Company ("**Transferor**") (i) to the draft Proposed Scheme; (ii) for seeking dispensation from the Hon'ble High Court of Calcutta or the National Company Law Tribunal (as applicable) from convening/holding the meeting of the shareholders (equity and preference, as applicable) and / or creditors of the Transferor for the purpose of considering and approving the Proposed Scheme; and (iii) for making any changes in the Proposed Scheme as may be required/approved by the shareholders and/or creditors and/or any authority and/or the Hon'ble High Court of Calcutta while granting their consent / approval to the Proposed Scheme and which may be acceptable to the Board of the Transferor.

RESOLVED FURTHER THAT Mr. R.K. Somany, Chairman and Managing Director, Mr. Sandip Somany, Joint Managing Director, Mr. G.L. Sultania, Director, Mr. R.B. Kabra, President (Building Products Division), Mr. Sandeep Sikka, Chief Financial Officer, Mr. Naveen Malik, Associate Vice President - Corporate Finance, Mr. N. K. Goenka, DGM - Finance and Ms. Payal M Puri, Company Secretary of the Company be and are hereby jointly and severally authorised to take all such steps as are necessary in connection with the filing, approval and implementation of the Proposed Scheme, including:

a. to take decisions in connection with the Proposed Scheme and to carry out such modifications, revisions, amendments to the draft Proposed Scheme, as may be required by the shareholders, creditors, Hon'ble High Court of Calcutta (or the Hon'ble National Company Law Tribunal), SEBI, Stock Exchanges or any other governmental or regulatory authority;
b. to file the Proposed Scheme finalized as aforesaid, along with ancillary documents, with the relevant stock exchanges, SEBI, the Hon'ble High Court of Calcutta (or the Hon'ble National Company Law Tribunal) and any other governmental or regulatory authority, as may be required, and for such purpose to take all necessary steps including but not

For HSIL LIMITED
COMPANY SECRETARY

limited to engagement of advisors including the lawyers, chartered accountants, merchant bankers, advocates and other agents;

c. to provide all information and clarifications to the stock exchanges and SEBI for obtaining approval / observations thereof to the Proposed Scheme and filing all relevant documents with the stock exchanges and SEBI, including valuation report, fairness opinion, audit committee report recommending the Proposed Scheme, pre and post Proposed Scheme shareholding pattern of Hindware Home Retail Private Limited ("**Transferor**"), auditor's certificate(s), audited financials of the Company and the Transferor, etc., and to obtain/take delivery of the Observation Letter from the designated stock exchange;

d. to represent the Company before the Hon'ble High Court of Calcutta (or the Hon'ble National Company Law Tribunal), stock exchanges, SEBI and any other governmental or regulatory authority, as may be required, and at the shareholders' and/or creditors' meeting of the Transferor, in its capacity as the shareholder and/or creditor of the Transferor and provide the consent/approval on behalf of the Company as a shareholder and /or creditor of the Transferor in relation to the Proposed Scheme, as may be necessary;

e. to do all such lawful acts, deeds and things as they may be deemed necessary and desirable in connection with the approval and sanction of the said Proposed Scheme by the Hon'ble High Court of Calcutta (or the Hon'ble National Company Law Tribunal), including but not limited to filing of application before the Hon'ble High Court of Calcutta (or the Hon'ble National Company Law Tribunal) seeking dispensation of the meeting of the shareholders and creditors of the Company, filing of Observation Letter, filing and executing necessary applications, forms, advertisements, notices, vakalatnamas, affidavits, letters, deeds, instruments, etc., as may be required, for the purpose of obtaining approval of the Proposed Scheme by the Hon'ble High Court of Calcutta (or the Hon'ble National Company Law Tribunal);

f. if the dispensation from holding meetings of shareholders/creditors of the Company is not granted by the Hon'ble High Court of Calcutta (or the Hon'ble National Company Law Tribunal), then to take all steps for calling and holding shareholders' and creditors' meetings through postal ballot and e-voting or physical meeting (as may be required) and filing and executing confirmation petitions, vakalatnams, affidavits, pleadings, advertisements, notices, reports and other applications, documents etc. with the Hon'ble

For HSIL LIMITED
COMPANY SECRETARY

High Court (or the Hon'ble National Company Law Tribunal) or any other authority and issuing relevant advertisements, notices, explanatory statements, etc.;

g. to provide all relevant information and/or file necessary documents with the Hon'ble High Court (or the Hon'ble National Company Law Tribunal) with respect to finalization of the list of creditors, list of shareholders, list of properties and investments of the Company;

h. to make necessary filings with and/or seek approvals from the official liquidator, Registrar of Companies, Kolkata, Regional Director, Income Tax Department and/or any other governmental or regulatory authority and provide necessary information/clarifications to aforementioned persons;

i. to provide all relevant information that may be required by the advisors (including lawyers, merchant bankers and chartered accountants), issue reliance letter and / or management representations (as may be required by the advisors) and to obtain necessary certificates/opinions/letters from the advisors (including the auditor with respect to accounting treatment in the Proposed Scheme and approval of scheme through postal ballot and e-voting);

j. to withdraw, alter, amend modify or abandon the Proposed Scheme at any stage and to do all such lawful acts, deeds and things as they may be deemed necessary and desirable in connection therewith and incidental thereto;

k. to approve/undertake such actions as may be considered necessary for implementation of the said Proposed Scheme after the same is sanctioned by the said High Court (or the Hon'ble National Company Law Tribunal) including but not limited to, obtaining delivery of the order from the High Court, authorization of entries to be made in the books of account in term of the scheme, making filings with Registrar of Companies, stock exchanges, SEBI, depositories (NSDL/CSDL) and/or any other governmental authorities, and to approve all other actions required for full and effective implementation of the sanctioned Proposed Scheme and to remove and resolve all doubt and difficulties and to do all such lawful acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto;

l. to fix record date for the purpose of implementation of the sanctioned Proposed Scheme and effect accounting treatment in the books of accounts of the Company;

m. to make necessary disclosures to the stock exchanges (as may be required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

For HSIL LIMITED

COMPANY SECRETARY

n. to settle any question or difficulty arising under the Proposed Scheme or in regard to its implementation or in any matter connected therewith and may also in their full and absolute discretion, withdraw or abandon the Proposed Scheme and/or carry out any modification therein, at any stage of the proceeding; and

o. to do all such lawful acts, deeds and things as may be necessary or expedient in connection with the scheme and to sign, execute and deliver all such documents as may be necessary for filing, sanction and implementation of the scheme with the relevant High Court (or the Hon'ble National Company Law Tribunal), if any as required, or the relevant stock exchanges or SEBI or any other governmental or other authority or any person and to comply with directions that may be received from them, in order to give effect to the above mentioned resolutions of the Board.

RESOLVED FURTHER THAT the Common Seal of the Company be affixed, to the engrossment of any deeds, agreements, documents, writings and instruments as may be required, in the presence of any Director of the Company in conformity with the provisions of Articles of Association of the Company who shall sign/counter sign the same in token thereof.

RESOLVED FURTHER THAT the Certified copy(ies) of the above resolution duly signed by any Director or Company Secretary of the Company be submitted to the concerned authorities and they be requested to act upon the same."

Certified to be true
For **HSIL Limited**

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

Annexure -II

COMPOSITE SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100-104 OF THE COMPANIES ACT, 1956 AND/OR APPLICABLE SECTIONS OF THE COMPANIES ACT, 2013

BETWEEN

HINDWARE HOME RETAIL PRIVATE LIMITED

(The Transferor)

AND

HSIL LIMITED

(The Transferee)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

HSIL LIMITED GURGAON

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For HSIL LIMITED

COMPANY SECRETARY

I. PREAMBLE

A. This Scheme (defined hereinafter) is presented pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and/or the Companies Act, 2013, as notified, amended, or re-enacted from time to time, including the rules made thereunder and also read with Section 2(19AA) of the IT Act (defined hereinafter), as applicable, for the demerger of the Demerged Undertaking (defined hereinafter) of the Transferor (defined hereinafter) and vesting of the same with the Transferee (defined hereinafter), on a going concern basis and consequent reorganization of the capital of the Transferor. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

B. HSIL Limited, (hereinafter referred to as "**HSIL**" or the "**Transferee**") is a public limited company incorporated and existing under the provisions of the Companies Act, 1956 (now Companies Act, 2013, to the extent notified and made applicable), having its registered office at 2, Red Cross Place, Kolkata - 700001. The Transferee was incorporated on February 8, 1960 under the name Hindusthan Twyfords Limited. Subsequently, the name of the Transferee was changed to Hindustan Sanitaryware & Industries Limited with effect from May 3, 1969, and the Transferee obtained a fresh Certificate of Incorporation from the Registrar of Companies, Kolkata (West Bengal), to the said effect. The name Hindustan Sanitaryware & Industries Limited was further changed to the present name HSIL Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Kolkata (West Bengal) on March 24, 2009 in favor of the Transferee. The Corporate Identity Number of the Transferee is L51433WB1960PLC024539. The Transferee is authorized to and is *inter alia* engaged in the business of manufacturing, preparing, importing, exporting, buying, selling and otherwise dealing in all kinds of sanitaryware, faucets, other lifestyle products, consumer products, glass and plastic packaging material. The equity shares of the Transferee are listed on the Stock Exchanges (hereinafter defined).

C. Hindware Home Retail Private Limited (hereinafter referred to as "**HHRPL**" or the "**Transferor**") is a private limited company incorporated and existing under the provisions of the Companies Act, 1956 (now Companies Act, 2013, to the extent notified and made applicable), with its registered office at 2, Red Cross Place, Kolkata - 700001. HHRPL was incorporated on November 24, 2005 in the State of West Bengal as Samridhi Suppliers Private Limited. Consequent to change of name of the Transferor to the present name Hindware Home Retail Private Limited, a fresh certificate of incorporation dated November 28, 2006 was issued by the Registrar of Companies, Kolkata (West Bengal) in favor of the Transferor. The Corporate Identity Number of the Transferor is U51109WB2005PTC106307. The Transferor is a wholly owned subsidiary of the Transferee.

D. The Transferor, under due authorization of its memorandum of association, is primarily engaged in two businesses, namely, retail business and institutional business which are being carried on as separate undertakings. Under the retail business undertaking, the Transferor is engaged in buying, selling, trading, distributing and dealing *inter alia* in furniture products, home furnishing, household goods and consumer durable items through its chain of retail stores. Under the institutional business undertaking, the Transferor is engaged in providing, assisting or arranging construction, furnishing, renovation, repair, remodeling and furnishing of offices and houses, etc.

II. PROPOSED SCHEME AND RATIONALE THEREOF

A. This Scheme, *inter alia*, proposes to demerge the Demerged Undertaking (comprising the retail business undertaking of the Transferor) from the Transferor and transfer to and vest the same in the Transferee, on a going concern basis, such that the Demerged Undertaking becomes the undertaking of the Transferee on and with effect from the Appointed Date (defined hereinafter). With effect from the Appointed Date, the Transferor will continue to carry on the business of the Remaining Undertaking (defined hereinafter).

B. The rationale for the demerger of the Demerged Undertaking into the Transferee is, *inter alia*, as follows:

HSIL LIMITED GURGAON

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

C. This Scheme has been drawn up to comply with the conditions specified under Section 2(19AA) of the IT Act and may be modified, as required, in order to comply with the provisions thereof.

III. PARTS OF THE SCHEME

The Scheme is divided into following parts:

Part I	:	Definitions and Interpretation
Part II	:	Capital Structure
Part III	:	Demerger of Demerged Undertaking from the Transferor and vesting of the same in the Transferee in accordance with Sections 391-394 read with Sections 100-104 of the Act and/ or other relevant provisions of the Act
Part IV	:	Accounting Treatment
Part V	:	General Terms and Conditions

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PART I

DEFINITIONS AND INTERPRETATION

1.1 **Definitions**

In addition to the words and expressions defined elsewhere in this Scheme, unless it is contrary or repugnant to the subject, context or meaning thereof, the following words and expressions shall have the meanings as set out hereunder:

(a) "Act" means the Companies Act, 1956 and rules made thereunder (to the extent applicable) and the Companies Act, 2013 (as may be notified from time to time) and the rules made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;

(b) "Applicable Law(s)" means any statute, notification, by-laws, rules, regulations, guidelines, rule or common law, policy, code, directive, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned, or other governmental restrictions or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority, including any modification or re-enactment thereof for the time being in force;

(c) "Appointed Date" means opening hours of business on April 1, 2015, which shall be the date from which this Scheme shall deemed to be effective;

(d) "Board of Directors" in relation to the Transferee or the Transferor, as the case may be, means the board of directors of the respective companies constituted from time to time and shall include a committee of directors or any person authorized by the board of directors or such committee of directors;

(e) "Book Value(s)" means the value(s) of assets and liabilities of the Demerged Undertaking, as appearing in the books of accounts of the Transferor at the close of business on the day immediately preceding the Appointed Date;

(f) "Demerged Undertaking" means and includes all the activities, business, operations and undertakings of and relating to retail business undertaking of the Transferor including storing, transporting, selling, distributing and trading in furniture and home décor and other products, *inter alia*, under the 'EVOK' trademark, through its chain of retail outlets and also includes the franchise business of the Transferor. Without prejudice and limitation to the generality of the above, the Demerged Undertaking shall mean and include:

(i) all the assets and properties of the Demerged Undertaking wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, present, future or contingent, in possession or reversion, corporeal or incorporeal, inventory, debtors, leasehold improvements, vehicles, furniture, fixtures, office equipment, electrical, appliances, accessories, utilities, actionable claims, earnest monies, security deposits and sundry debtors, bills of exchange, inter corporate deposits, financial assets and accrued benefits thereto, insurance claims recoverable, prepaid expenses, outstanding loans and advances recoverable in cash or in kind or for value to be received (including capital advances), provisions, receivables, funds, cheques and other negotiable instruments, margin money with banks, fixed deposits, cash and bank balances and deposits including accrued interests thereto with Governmental Authority, other authorities, bodies, customers and other persons, benefits of any bank guarantees, performance guarantees, corporate guarantees, rights to use, electronic mails, fax, telephone, computers, software applications and installations and VSATs pertaining to or relatable to the Demerged Undertaking on a going concern basis;

(ii) all permits, licenses, permissions, approvals, consents, municipal permissions, benefits, registrations, rights, entitlements, certificates, clearances, authorities, allotments, quotas, no-objection certificates and exemptions of the Demerged Undertaking of the Transferor including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereof, including applications made in relation thereto ("**Licenses**");

HSIL LIMITED GURGAON

(iii) all benefits, subsidies, incentives, privileges, entitlements, policies including under customs, excise, service tax, VAT, sales tax and entry tax and income tax laws, all other direct tax benefit/ exemptions/ deductions, sales tax deferrals, to the extent statutorily available to the Demerged Undertaking, along with associated obligations;

(iv) all contracts, tenancies, agreements, memoranda of understanding, leases, leave and licenses, bids, tenders, expressions of interest, letters of intent, commitments (including to clients and other third parties), hire purchase arrangements, purchase orders, invoices, assignments, grants, engagements, powers of attorney, other arrangements, undertakings, deeds, bonds, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise, to which the Demerged Undertaking is a party, or to the benefit of which the Demerged Undertaking may be eligible ("**Contracts**");

(v) all intellectual property rights of the Demerged Undertaking, including pending applications (including hardware, software, source codes, parameterization and scripts), registrations, goodwill, logos, trade names, trademarks, service marks, copyrights, patents, technical know-how, domain names, mobile and web applications and the right to use thereto, trade secrets, domain names, computer programs, moral rights, development rights, right to use the trademarks, brand names or other intellectual property rights registered in the name of the Transferor with respect to the Demerged Undertaking (including trademarks and copyrights as listed in the Annexure I), finished and ongoing research and development programs and all such rights of whatsoever description and nature, whether or not registered, owned or licensed, including any form of intellectual property which is in progress ("**Intellectual Property**");

(vi) all taxes, duties, cess, etc., that are allocable, referable or related to the Demerged Undertaking, including share of advance tax, tax deducted at source and minimum alternate tax credits (including but not limited to credits in respect of sales tax, value added tax, service tax and other indirect taxes), deferred tax, tax business loss, unabsorbed depreciation and other benefits, all or any refunds, interest due thereon, credits and claims relating thereto in respect of Demerged Undertaking;

(vii) all books, records, files, registers (statutory and otherwise), records of correspondence and filings made with Governmental Authorities and other parties/persons, catalogues, brochures, quotations, websites, list of customers, list of suppliers and logistic suppliers, list of service providers, sales data, customer credit information, pricing information, employee related data, papers, governance templates and process information, records of standard operating procedures, computer programs along with their licenses, manuals and backup copies, advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;

(viii) employees of the Transferor that are determined by its Board of Directors, to be substantially engaged in or in relation to the Demerged Undertaking, on the date immediately preceding the Effective Date ("**Transferred Employees**") and contributions, if any, made towards any insurance, provident fund, employees state insurance, gratuity fund, labour welfare fund, staff welfare scheme or any other special schemes, funds or benefits, existing for the benefit of such employees ("**Funds**"), together with such of the investments made by these Funds, which are relatable to such Transferred Employees;

(ix) existing securities, mortgages, charges and other encumbrances, if any, subsisting over or in respect of the property and assets or any part thereof relatable to the Demerged Undertaking;

(x) all debts, liabilities including contingent liabilities, employee dues, service provider credits, duties, taxes and obligations of the Transferor pertaining to the Demerged Undertaking and/or arising out of and/or relatable to it ("**Transferred Liabilities**"); and

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(xi) all legal, tax, regulatory, quasi-judicial, administrative or other proceedings (including arbitrations and show cause notices) of whatsoever nature by or against the Transferor pending as on the Appointed Date and relating to the Demerged Undertaking before any Governmental Authority.

Any issue as to whether any asset or liability pertains to or is relatable to the Demerged Undertaking or not shall be solely decided by the Board of Directors of the Transferor, on the basis of evidence that may be deemed to be relevant to them for the purpose (including the books or records of the Transferor);

(g) "Effective Date" means the last of the dates on which a certified copy of the order passed by the Hon'ble High Court of Calcutta, sanctioning the Scheme, is filed by the Transferee and the Transferor, respectively, with the Registrar of Companies, Kolkata (West Bengal) in terms of Section 394(3) of the Companies Act, 1956.

Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall refer to the Effective Date;

(h) "Financial Statements" means and includes standalone and consolidated accounts, i.e., balance sheet, statement of profit & loss, cash flow statement and notes to accounts of the Transferor and the Transferee, as the context may require;

(i) "Generally Accepted Accounting Principles" means the common set of accounting principles, standards and procedures used by companies to compile their financial statements;

(j) "Governmental Authority" means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or committee or any court, tribunal, board, bureau, instrumentality, judicial or quasi-judicial or arbitral body having jurisdiction over the territory of India, Stock Exchanges or any governmental or non-governmental self-regulatory organization;

(k) "High Court" means the Hon'ble High Court of Calcutta that has jurisdiction over the Transferor and the Transferee, and shall include the National Company Law Tribunal or such other forum or authority, that may be vested with requisite powers under the Companies Act, in relation to provisions of Sections 391 to 394 of the Companies Act, 1956 or corresponding provisions of the Companies Act, 2013 as and when enforced and made applicable, in place of the High Court;

(l) "IT Act" means the Income-tax Act, 1961 and shall include any statutory modifications, re-enactments or amendments thereof for the time being in force;

(m) "Record Date" means the date to be fixed by the Board of Directors of the Transferor in consultation with the Transferee for the purpose of reckoning the names of the shareholders of the Transferor and the number of preference shares of the Transferor held by them, which shall be cancelled in the books of the Transferor upon this Scheme coming into effect;

(n) "Residual HHRPL" or "Remaining Undertaking" means all the businesses carried on by the Transferor other than the Demerged Undertaking, including without limitation institutional business, online sales, all activities, operations, business, assets, contracts, intellectual property rights, license, permits, benefits, employees and liabilities (actual and contingent) of the aforesaid business;

(o) "Transferee" means HSIL Limited, a company incorporated under Companies Act, 1956 having its registered office at 2 Red Cross Place, Kolkata, West Bengal - 700001, India;

(p) "Transferor" or "HHRPL" means Hindware Home Retail Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 2 Red Cross Place, Kolkata, West Bengal - 700001, India;

(q) "Scheme" means this Composite Scheme of Arrangement of the Transferee and the Transferor, in its present form, or with any modification(s) made under Paragraph 5.4 hereof; and

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(r) "Stock Exchange" means the stock exchanges where the equity shares of the Transferee are listed and are admitted to trading, viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

1.2 **Interpretation**

In this Scheme, unless the context otherwise requires:

(a) references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date of the Scheme;

(b) references to the singular includes a reference to plural and vice versa and reference to any gender includes a reference to all other genders;

(c) reference to persons shall include individuals, bodies corporate (wherever incorporated or un-incorporated), associations and partnerships;

(d) headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;

(e) references to a Paragraph or Annexure, shall be deemed to be a reference to a paragraph or annexure of this Scheme;

(f) the Annexures to this Scheme shall form an integral and inseparable part of this Scheme;

(g) reference to the words 'hereof', 'herein' and 'hereby' and derivatives or similar words refer to this entire Scheme;

(h) references to the words "including", "inter alia" or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and

(i) any reference to any statute or statutory provision shall include:

(i) all subordinate legislations made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated from time to time) and any retrospective amendment; and

(ii) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the filing of this Scheme) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to the matters contemplated under this Scheme and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as amended, modified, re-enacted or consolidated from time to time) which the provision referred to has directly or indirectly replaced.

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PART II

CAPITAL STRUCTURE

2.1. The capital structure of the Transferor as on the Appointed Date is set out below:

Share Capital	Amount (Rs. in Lakhs)
Authorized share capital comprising of:	
5,00,00,000 equity shares of Rs. 10 each	5000.00
75,00,000 0% non-cumulative redeemable preference shares of Rs. 100 each	7500.00
Total	**12500.00**
Issued, Subscribed & Paid-up share capital comprising of:	
3,20,00,000 equity shares of Rs. 10 each	3200.00
62,90,000 0% non-cumulative redeemable preference shares of Rs. 100 each	6290.00
Total	**9490.00**

The whole of the share capital of the Transferor is held by the Transferee and its nominees. The Transferor has issued and may further issue, from time to time in one or more tranches, Equity Shares of Rs. 10 (Rupees Ten) each and/or Non-Cumulative Redeemable Preference shares of Rs. 100 (Rupees One Hundred) each of the Transferor, for cash at par, to the Transferee, after the Appointed Date till the Record Date.

2.2. The capital structure of the Transferor as on the date of approval of the Scheme by the Board of Directors of the Transferor is set out below:

Share Capital	Amount (Rs. in Lakhs)
Authorized share capital comprising of:	
5,00,00,000 equity shares of Rs. 10 each	5000.00
75,00,000 0% non-cumulative redeemable preference shares of Rs. 100 each	9000.00
Total	**14000.00**
Issued, Subscribed & Paid-up share capital comprising of:	
3,20,00,000 equity shares of Rs. 10 each	3200.00
89,90,000 0% non-cumulative redeemable preference shares of Rs. 100 each	8990.00

Total	12190.00

2.3. The capital structure of the Transferee as on the Appointed Date is set out below:

Share Capital	Amount in Rs. in lakhs
Authorised share capital comprising of:	
11,12,50,000 equity shares of Rs. 2 each	2225.00
Total	2225.00
Issued share capital comprising of:	
7,23,00,220 equity shares of Rs. 2 each	1446.00
Subscribed & Paid-up share capital comprising of:	
7,22,96,395 equity shares of Rs. 2 each	1445.93
Add : Forfeited Share	0.04
Total	**1445.97**

2.4. Up to and as on the date of approval of the Scheme by the Board of Directors of the Transferee, there is no change in the authorized, issued, subscribed and paid-up share capital of the Transferee.

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PART III

DEMERGER OF DEMERGED UNDERTAKING FROM THE TRANSFEROR AND VESTING OF THE SAME IN THE TRANSFEREE IN ACCORDANCE WITH SECTIONS 391-394 READ WITH SECTIONS 100-104 OF THE ACT AND/ OR OTHER RELEVANT PROVISIONS OF THE ACT AND SECTION 2(19AA) OF THE IT ACT

3.1 TRANSFER & VESTING OF THE DEMERGED UNDERTAKING

Upon this Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall stand demerged from the Transferor and be transferred to and vested in the Transferee, on a going concern basis, without any further act or deed, so as to become, on and from the Appointed Date, the undertaking of the Transferee, and to vest in the Transferee, all the rights, title, interest or obligations of the Demerged Undertaking therein, in the manner described hereunder.

3.1.1 ASSETS

(a) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the Demerged Undertaking, as are movable in nature or are incorporeal property or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by delivery instructions in relation to dematerialized shares or transfer by vesting and recorded pursuant to this Scheme, shall stand transferred to and vested in the Transferee and shall become the property and an integral part of the Transferee. The vesting pursuant to this Paragraph 3.1 shall be deemed to have occurred by manual delivery or endorsement and delivery or by delivery instructions in relation to dematerialized shares or by vesting, as appropriate to the property being vested and the title to the property shall be deemed to have been transferred accordingly without any further act, deed or instrument or consent of any third party or any person to give effect to the provisions of this Paragraph 3.1.

(b) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all movable properties of the Transferor relating to the Demerged Undertaking, other than those specified in Paragraph 3.1.1(a) above, including cash and cash equivalents, insurance claims, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Governmental Authorities or third parties, customers, suppliers and service providers and other persons shall without any further act, instrument or deed or consent of any third party or any person to give effect to the provisions of this Paragraph 3.1 shall stand transferred to and vested in the Transferee and become the property of the Transferee.

(c) All immovable properties of the Demerged Undertaking of the Transferor (i.e., land together with the buildings and structures standing thereon or under construction) (whether freehold, leasehold, leave and licensed or otherwise) including any tenancies in relation to warehouses, retail outlets, office space, guest houses and residential premises including those provided to/occupied by the Transferred Employees and all documents of title, rights and easements in relation thereto and all plant and machineries, fixtures and fittings, constructed on or embedded or attached to any such immovable properties and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties, shall stand transferred to and be vested in and be deemed to have been transferred to and vested in the Transferee, without any further act or deed done/executed or being required to be done/executed by the Transferor or the Transferee or both or consent of any third party or any person to give effect to the provisions of this Paragraph 3.1. The Transferee shall be entitled to exercise and enjoy all rights and privileges attached to the immovable properties of the Demerged Undertaking and shall be liable to pay the ground rent and taxes and fulfill all obligations and be entitled to all rights in relation to or as applicable to such immovable properties.

(d) Upon this Scheme becoming effective and with effect from the Appointed Date, in relation to assets belonging to the Demerged Undertaking, which require separate documents for vesting in the Transferee, or which the Transferor and/or the Transferee otherwise desire to be vested separately, the Transferor and the Transferee will execute such deeds, documents or such other instruments, if any, as may be mutually agreed.

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(e) Upon this Scheme becoming effective and with effect from the Appointed Date, all assets acquired by the Transferor after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall be deemed to have been acquired for and on behalf of the Transferee and shall also stand transferred to and vested in the Transferee.

(f) Upon this Scheme becoming effective, the past track record and goodwill of the Transferor relating to the Demerged Undertaking including without limitation, the experience, credentials, credit worthiness and market share, shall be deemed to be the track record and goodwill of the Transferee for all commercial and regulatory purposes including for the purposes of eligibility, standing, evaluation and participation of the Transferee in all existing and future bids, tenders and contracts of all authorities, agencies and clients.

3.1.2 **LIABILITIES**

(a) Upon this Scheme becoming effective and with effect from the Appointed Date, all liabilities including, debts, secured and unsecured loans, general or multi-purpose borrowings allocable, as per the provisions of Section 2(19AA) of the IT Act, contingent liabilities, duties and obligations of every kind, nature and description attributable or allocable to the Demerged Undertaking, shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Transferee, so as to become from the Appointed Date, the debts, liabilities, contingent liabilities, undertakings, duties and obligations of the Transferee and the Transferee undertakes to meet, discharge and satisfy the same.

(b) Upon this Scheme becoming effective, any liabilities attributable or allocable to the Demerged Undertaking that may arise or crystalize on or after the Appointed Date but which relate to period prior to the Appointed Date shall, without any further act or deed, be transferred to, or be deemed to be transferred to the Transferee so as to become, from the Appointed Date, the debts, liabilities, contingent liabilities, undertakings, duties and obligations of the Transferee and the Transferee undertakes to meet, discharge and satisfy the same.

(c) It is hereby clarified that, unless expressly provided for, it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of Paragraph 3.1.

(d) Where any of the liabilities pertaining to the Demerged Undertaking on the Appointed Date have been discharged by the Transferor after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of the Transferee.

(e) Upon this Scheme becoming effective and with effect from the Appointed Date, all loans raised and used, and liabilities incurred, if any, by the Transferor after the Appointed Date, but prior to the Effective Date, for the Demerged Undertaking shall be deemed to be transferred to, and raised by the Transferee, without any further act or deed.

(f) Any reference in any security documents or arrangements to which the Transferor is a party, wherein the assets of the Demerged Undertaking have been or are offered or agreed to be offered as securities for any financial assistance or obligations, shall be construed as a reference to only the assets pertaining to the Demerged Undertaking as are vested in the Transferee as per the Scheme, to the end and intent that any such security, charge, hypothecation and mortgage shall not extend or be deemed to extend to any of the other assets of the Transferor or any other assets of the Transferee. Provided further, that the securities, charges, hypothecation and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges, hypothecation and mortgages shall not extend.

(g) The Transferred Liabilities, if any, due or which may at any time in the future become due only inter-se the Demerged Undertaking of Transferor and the Transferee, shall stand discharged and there shall be no liability in that behalf on either company and corresponding effect shall be given in the books of account and records of the Transferee, in accordance with Part IV of this Scheme.

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(h) Upon the Scheme becoming effective, the Transferee alone shall be liable to perform all obligations in respect of the Transferred Liabilities of the Demerged Undertaking and the Transferor shall not have any obligations in respect thereof.

3.1.3 **CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS**

(a) Upon this Scheme becoming effective and with effect from the Appointed Date and subject to the provisions of this Scheme, all contracts, deeds, bonds, guarantees, lease deeds, agreements, term sheets entered into with various persons including independent consultants/parties, holding/subsidiaries/associate/joint venture companies (other than the Transferee) and other shareholders of such holding/subsidiaries/associate/joint venture companies, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Transferor is a party or to the benefit of which the Transferor may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, of the Transferee and may be enforced as fully and effectually as if, instead of the Transferor, the Transferee had been a party or beneficiary or oblige thereto or thereunder, without any further act, deed or instrument or the consent of any person to give effect to this Paragraph 3.1.

(b) Without prejudice to the other provisions of this Scheme and notwithstanding that the vesting of the Demerged Undertaking with the Transferee occurs by virtue of this Scheme itself, the Transferee may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor is a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor will, if necessary, also be a party to the above. The Transferee shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor to be carried out or performed.

(c) Upon this Scheme becoming effective, any and all intellectual property rights in relation to the Demerged Undertaking to which the Transferor is a party or to the benefit of which the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, shall stand vested and transferred to the Transferee and be and remain in full force and effect in favor of the Transferee and may be enforced by or against it as fully and effectually as if, instead of the Transferor, the Transferee had been a party or beneficiary or oblige thereto. Trademarks or other intellectual property rights forming part of the Demerged Undertaking shall stand vested and transferred to the Transferee with effect from the Appointed Date. The Transferor and the Transferee shall execute all necessary deeds/documents/agreements to give effect to the assignment/transfer of all such trademarks to the Transferee.

(d) Without prejudice to the generality of the foregoing, it is clarified that upon this Scheme becoming effective and with effect from the Appointed Date, all consents, agreements, permissions, all Licenses, certificates, insurance covers, clearances, authorities, powers of attorney given by, issued to or executed in favor of the Transferor in relation to the Demerged Undertaking shall stand transferred to the Transferee as if the same were originally given by, issued to or executed in favor of the Transferee, and the Transferee shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee. In so far as the various incentives, subsidies, schemes, special status and other benefits or privileges enjoyed, granted by any governmental body, local authority, or by any other person, or availed by the Transferor in relation to the Demerged Undertaking are concerned, the same shall vest with and be available to the Transferee on the same terms and conditions as applicable to the Transferor, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee.

(e) Upon this Scheme becoming effective, all the resolutions of the Board of Directors and shareholders, if any, of the Transferor which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as the resolutions of the

Transferee to the extent such resolutions pertain to the Demerged Undertaking, and, if any such resolutions have an upper monetary or any other limits imposed under the provisions of the Act, then the said limits shall apply *mutatis mutandis* to such resolutions and shall constitute the aggregate of the said limits in the Transferee.

(f) The contracts, deeds, bonds and other documents, if any, between the Demerged Undertaking of Transferor and the Transferee, shall stand discharged and there shall be no liability in that behalf on either company.

3.1.4 **EMPLOYEES**

(a) Upon this Scheme becoming effective, all employees of the Demerged Undertaking, i.e. the Transferred Employees, shall be deemed to have become employees of the Transferee, without any interruption of service and with the benefit of continuity of service and on terms and conditions which are not in any way, less favorable, as those applicable to them with reference to the Transferor on the Effective Date. The services of the Transferred Employees with the Transferor up to the Effective Date shall be taken into account for the purposes of all benefits to which the Transferred Employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

(b) Upon this Scheme becoming effective, all contributions to Funds and schemes in respect of provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme or any other special schemes or benefits created or existing for the benefit of the Transferred Employees of the Demerged Undertaking shall be made by the Transferee in accordance with the provisions of such schemes or Funds and Applicable Law.

(c) Subject to Applicable Law, the existing balances standing to the credit of the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, the staff welfare scheme and any other schemes or benefits created by the Transferor for the Transferred Employees of the Demerged Undertaking, the interest thereon, if any, and investments made by such Funds (if any) shall be continued on the same terms and conditions and be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee without any separate act or deed/approval.

(d) Contributions made by the Transferor to any of the Funds and/or the schemes under Applicable Law with respect to the Transferred Employees, after the Appointed Date but prior to the Effective Date, shall be deemed to be contributions made by the Transferee with respect to the Transferred Employees.

3.1.5 **CONTINUATION OF PROCEEDINGS**

(a) Upon the Scheme becoming effective, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor, whether pending on the Appointed Date, or which may be instituted any time after the Appointed Date (irrespective of whether they relate to periods on or prior to the Appointed Date) and in each case relating to the Demerged Undertaking ("**Proceedings**") shall be continued and enforced by or against the Transferee after the Effective Date, to the extent legally permissible. To the extent such Proceedings cannot be taken over by the Transferee, such proceedings shall, subject to Paragraph 3.1.5(b), be pursued by the Transferor as per the instructions of and entirely at the costs and expenses of the Transferee.

(b) If any Proceedings are initiated or carried on against the Transferor in respect of the matters referred to in Paragraph 3.1.5(a) above, the Transferor shall defend the same and at the cost of the Transferee, and the Transferee shall reimburse, indemnify and hold harmless the Transferor against all such liabilities and obligations.

(c) If any Proceedings is/are pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Transferee in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor, as if this Scheme had not been made.

(d) In the event of any difference or difficulty on whether any specific legal or other proceedings relates to the Demerged Undertaking or not, the decision of the Board of Directors of the Transferor in this regard shall be conclusive and binding on the Transferor and the Transferee.

3.1.6 **TREATMENT OF TAXES**

(a) Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable by the Transferor, accruing and relating to the Demerged Undertaking that may arise or crystalize on or after the Appointed Date but which relate to period prior to the Appointed Date shall, for all purposes, be treated as the liability of the Transferee from the Appointed Date, and the Transferee undertakes to meet, discharge and satisfy the same.

(b) Upon this Scheme becoming effective and with effect from the Appointed Date, all taxes and duties payable or receivable by the Transferor, accruing and relating to the Demerged Undertaking from the Appointed Date onwards, including all advance tax payments, tax deducted at source, any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, or refunds and claims, as the case may be, of the Transferee.

(c) Upon this Scheme becoming effective, all unavailed tax credits and exemptions, benefit of carried forward tax business losses, unabsorbed depreciation and other statutory benefits, including in respect of income tax (including tax deducted at source, tax collected at source, advance tax, etc.), cenvat, customs, value added tax, sales tax, service tax etc. relating to the Demerged Undertaking to which Transferor is entitled to shall be available to and vest in the Transferee, without any further act or deed.

(d) Upon this Scheme becoming effective, Transferor and the Transferee are permitted to revise and file their respective income tax returns, withholding tax returns, including tax deducted at source certificates, sales tax/value added tax returns, service tax returns and other tax returns for the period commencing on and from the Appointed Date, and to claim refunds/credits, pursuant to the provisions of this Scheme.

(e) The Board of Directors of the Transferor shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Demerged Undertaking and whether the same would be transferred to the Transferee.

3.1.7 **BOOKS AND RECORDS**

(a) All books, records, files, papers, engineering and process information, catalogues, quotations, advertising materials, if any, lists of present and former clients and all other books and records, whether in physical or electronic form, of the Transferor pertaining to the Demerged Undertaking, to the extent possible and permitted under Applicable Laws, be handed over by them to the Transferee.

3.1.8 **SAVING OF CONCLUDED TRANSACTIONS**

(a) The transfer of properties and liabilities to, and the continuance of proceedings by or against, the Transferee shall not affect any transaction or proceedings already concluded by the Transferor on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee accepts and adopts all acts, deeds and things done and executed by the Transferor in respect thereto as done and executed on behalf of itself.

3.2 **CONDUCT OF BUSINESS**

(a) Subject to the effectiveness of the Scheme, with effect from the Appointed Date and up to and including the Effective Date:

(i) the Transferor undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Demerged Undertaking, for and on account of and in trust for the Transferee;

(ii) all income, receipts, profits accruing to the Transferor and attributable to the Demerged Undertaking and all taxes thereon or losses arising or incurred by it with

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respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the income, expenses, payments, profits, taxes or losses, as the case may be, of the Transferee; and

(iii) all obligations, liabilities, duties and commitments attached, related or pertaining to the Demerged Undertaking shall be undertaken and shall be deemed to have been undertaken by the Transferor for and on account of and in trust for the Transferee.

(b) Subject to the effectiveness of the Scheme, with effect from the date of approval of this Scheme by the Board of Directors of the Transferor and the Transferee, and up to and including the Effective Date, the Transferor shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto.

(c) The Transferee shall also be entitled, pending the sanction of this Scheme, to apply to the relevant Governmental Authorities, wherever necessary, for such consents, approvals and sanctions which the Transferee may require including the registration, approvals, exemptions, reliefs, etc., as may be required/granted under any law for time being in force for carrying on business of the Demerged Undertaking.

3.3 **CONSIDERATION**

(a) Since the Transferor is a wholly owned subsidiary of the Transferee, no new shares of the Transferee shall be issued to the shareholders of the Transferor, as the Transferee cannot issue shares to itself. Pursuant to the demerger and upon coming into effect of the Scheme, the Transferor shall reduce and reorganise its paid-up equity share capital, securities premium and non-cumulative redeemable preference share capital in the manner described in Paragraph 3.4 of this Scheme.

(b) Pursuant to the demerger and upon coming into effect of the Scheme, the Transferee shall reorganise and adjust in its books the cost of equity and preference shares in the Transferor equivalent to the net assets of the Transferor remaining subsequent to the demerger on the Appointed Date.

3.4 **REORGANIZATION AND REDUCTION OF CAPITAL**

(a) The reduction of the paid-up equity share capital and non-cumulative redeemable preference share capital along with the consequent reduction in the securities premium account of the Transferor shall be effected as an integral part of this Scheme itself in accordance with the provisions of Sections 100 to 104 of the Companies Act, 1956 or Section 66 (once notified) of the Companies Act, 2013 and Section 52 of the Companies Act, 2013 and any other applicable provisions of the Act and the order of the High Court sanctioning this Scheme shall be deemed to also be the order under Section 102 of the Companies Act, 1956 or Section 66 (once notified) of the Companies Act, 2013 for the purpose of confirming the capital reduction. The capital reduction would not involve either the diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital and accordingly, the provisions of Section 101 of the Companies Act, 1956 will not be applicable.

(b) Notwithstanding the reduction in the share capital of the Transferor, the Transferor shall not be required to add "And Reduced" as suffix to its name and the Transferor shall continue under its existing name.

(c) It is hereby further clarified that the capital reduction and reorganisation of the capital of the Transferor in the manner provided in this Scheme (i) shall not affect the authorised share capital of the Transferor and the unissued authorised share capital shall be available to Transferor for issue and allotment; and (ii) shall be effected upon the Scheme becoming effective and with effect from the Record Date.

(d) An independent valuation expert has issued a report determining the number of equity shares, including securities premium, and preference shares to be reduced and reorganised of the Transferor subsequent to the demerger and consequent number of equity shares, including securities premium and preference shares remaining in the Transferor.

(e) Pursuant to the demerger, the capital reduction and reorganisation of the capital of the Transferor shall be effected in the following manner:

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(i) the issued, subscribed and paid-up equity share capital of the Transferor shall be reduced and reorganised by reducing the face value and paid up value of equity shares of Rs. 10 (Rupees Ten) each of the Transferor to Re. 0.20 (Twenty Paisa) each. Simultaneously, the equity share capital of the Transferor shall be reorganized and consolidated and as a result, every shareholder of the Transferor holding 50 (Fifty) equity shares of face value and paid up value of Re. 0.20 (Twenty Paisa) each shall be issued 1 (One) equity share of face value and paid up value of Rs. 10 (Rupees Ten) each.

(ii) the issued, subscribed and non-cumulative preference share capital of the Transferor shall be reorganised by reducing the face value and paid up value of preference shares of Rs. 100 (Rupees One Hundred) each of the Transferor to Rs. 2 (Rupees Two) each. Simultaneously, the non-cumulative preference share capital of the Transferor shall be reorganized and consolidated and as a result, every shareholder of the Transferor holding 50 (Fifty) preference shares of face value and paid up value of Rs. 2 (Rupees Two) each shall be issued 1 (One) preference share of face value and paid up value of Rs. 100 (Rupees One Hundred) each; and

(iii) the securities premium shall stand reduced by an amount of Rs. 20,58,00,000 (Rupees Twenty Crore Fifty Eight Lacs).

(f) It is hereby clarified that any share capital of the Transferor issued and allotted post the Appointed Date and prior to the Record Date shall be reorganized and adjusted in pursuance to the demerger and the transfer and vesting of the Demerged Undertaking in the Transferee, in the manner as provided in Paragraph 3.4 (e) above.

(g) It is hereby clarified that pursuant to the reduction and reorganisation of capital of the Transferor in the manner as provided under Paragraph 3.4 (e) and 3.4 (f) of this Scheme, no fractional equity shares or non-cumulative preference shares shall be issued by the Transferor and all fractional entitlements shall be rounded off to the nearest higher integer.

(h) The consent of the shareholders of the Transferor to this Scheme shall be deemed to be consent of the shareholders of the Transferor for the purpose of effecting the reduction and reorganization of the share capital and securities premium of the Transferor pursuant to this Scheme.

(i) Further, the share certificates of the Transferor, in relation to the equity shares and preference shares held by the Transferee post the Scheme being effective, without any further application, act, instrument, of deed, be deemed to have been automatically modified pursuant to reorganisation of share capital contemplated in Paragraphs 3.4(e) and 3.4 (f) above.

(j) The reduction and reorganisation of equity share capital and preference share capital as envisaged above shall not have any adverse effect on the employees/workmen or any secured creditors, financial institutions or banks of the Transferor.

(k) The reduction and reorganisation of the equity share capital and preference share capital will be for the benefit of the Transferor and its shareholders. Such reduction and reorganisation of capital will also not cause any prejudice to the creditors of the Transferor. Further, the reduction and reorganisation and the consequential adjustments shall not in any way adversely affect the ordinary business or operations of the Transferor or its ability to honor its commitments or to pay its debts in the ordinary course of business.

3.5 **RESIDUAL HHRPL - REMAINING UNDERTAKING OF THE TRANSFEROR**

(a) The Remaining Undertaking of the Transferor and all other assets, liabilities, incentives, rights and obligations pertaining thereto shall continue to be vested in and managed by the Transferor.

(b) All legal and other proceedings including any claims, warranties, indemnities under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Undertaking of the Transferor (including those relating to any property, right, power, liability

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obligation or duty, of the Transferor in respect of the Remaining Undertaking of the Transferor) shall be continued and enforced against the Transferor.

(c) With effect from the Appointed Date:

(i) The Transferor shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Undertaking of the Transferor for and on its own behalf;

(ii) The Transferor may enter into such contracts as the Transferor may deem necessary in respect of the Remaining Undertaking;

(iii) All profits accruing to the Transferor thereon or losses arising or incurred by it relating to the Remaining Undertaking of the Transferor, for all purposes be treated as the profits, or losses, as the case may be of the Transferor;

(iv) All assets and properties acquired by the Transferor in relation to the Remaining Undertaking on and after the Appointed Dated shall belong to and continue to remain vested in the Transferor; and

(v) All liabilities (including contingent liabilities) loans, debts (secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Undertaking shall belong to and continue to remain to be vested in the Transferor.

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PART IV

ACCOUNTING TREATMENT

4. **ACCOUNTING TREATMENT IN THE BOOKS OF ACCOUNTS OF THE TRANSFEROR AND THE TRANSFEREE**

4.1 **IN THE BOOKS OF THE TRANSFEROR**

(a) The Board of Directors of Transferor shall give effect to the Scheme in the books of account of the Transferor, as they deem fit, in accordance with the applicable accounting standards and Generally Accepted Accounting Principles.

(b) The assets and liabilities of Demerged Undertaking, as depicted in Annexure II, being transferred to the Transferee shall be transferred at values appearing in the books of account of the Transferor as on the Appointed Date.

(c) The Transferor shall debit/credit the remaining difference after taking into the effect of Paragraphs 4.1(a), 4.1(b) and 3.3 above to its capital reserve and / or any other appropriate account, as the case may be.

4.2 **IN THE BOOKS OF THE TRANSFEREE**

(a) The Board of Directors of Transferee Company shall give effect to the Scheme in the books of account of the Transferee Company, as they deem fit, in accordance with the applicable accounting standards and Generally Accepted Accounting Principles.

(b) Upon this Scheme becoming effective and consequent to the transfer and vesting of the Demerged Undertaking in the Transferee, the Transferee shall, in accordance with the applicable accounting standards/Generally Accepted Accounting Principles/ Indian accounting standards (IND-AS) as may be relevant for the preparation and presentation of financial statements of the Transferee:

(i) Record assets and liabilities pertaining to the Demerged Undertaking at the respective carrying values as appearing the books of the Transferor as on the Appointed Date;

(ii) To the extent of reorganization of share capital of the Transferor as stated in Paragraph 3.3, the investment in equity and preference share capital of Transferor as appearing in the books of account of Transferee shall stand cancelled; and

(iii) The Transferee shall debit/credit the remaining difference after taking into the effect of Paragraphs 4.2(b)(i) and (ii) to its capital reserve and / or any other appropriate account, as the case may be.

(c) In order to comply with certain laws and regulations, the Transferee may be required to prepare and present its financial statements for the financial year ended 31 March 2016 after giving the effect to this Scheme in accordance with the Section 133 of the Companies Act read with Rule 7 of the Companies (Accounts) Rules, 2014. In such a situation, the deficit arising after recording the entries contained in Paragraph 4.2(b)(i) and after giving effect to adjustment under Paragraph 3.3 above shall be recorded as goodwill or in case of surplus of assets over liabilities, the same shall be credited to the capital reserve in the books of account of the Transferee.

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PART V

GENERAL TERMS AND CONDITIONS

5.1 **Application(s) to the High Court**

(a) The Transferor and the Transferee shall make joint applications/petitions under Section 391 and other applicable provisions of the Companies Act to the High Court, as necessary, to seek orders for dispensing with or for convening, holding or conducting of the meetings of their respective shareholders and creditors, sanctioning this Scheme and for consequent actions and further applications/petitions under Sections 391 to 394 and other applicable provisions of the Act including for sanction/confirmation/clarification of the Scheme or connected therewith, as necessary.

5.2 **Revision of accounts and tax filings, modification of charge**

(a) Upon this Scheme becoming effective and with effect from the Appointed Date, the Transferor and the Transferee are expressly permitted to revise and file their income tax returns and other statutory returns, including tax deducted at source returns, services tax returns, excise tax returns, sales tax and value added tax returns, as may be applicable and have expressly reserved the right to make such provisions in their returns and to claim refunds or credits etc., if any. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have lapsed.

(b) Filing of the certified copy of the order of the High Court sanctioning this Scheme with the Registrar of Companies, Kolkata (West Bengal) shall be deemed to be sufficient for creating or modifying the charges in favor of the secured creditors, if any, of the Demerged Undertaking of the Transferor, as required as per the provisions of this Scheme.

5.3 **Compliance with provisions of Income Tax Act, 1961**

(a) The demerger in accordance with this Scheme shall be pursuant to and in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961, or any modification or re-enactment thereof.

(b) If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will, however, not affect other parts of this Scheme.

5.4 **Modifications and Amendments to the Scheme**

(a) Notwithstanding anything to the contrary contained in this Scheme, the Transferor and the Transferee (acting through their respective Board of Directors or a committee thereof or authorized representatives) may make or assent, from time to time, to any modifications, amendments, clarifications or confirmations to this Scheme, which they deem necessary and expedient or beneficial to the interests of the stakeholders and/or which the High Court, and/or which the shareholders and/or creditors of the respective the Transferor and the Transferee may recommend or impose.

(b) The Transferor and the Transferee (acting through their respective Board of Directors or a committee thereof or authorized representatives) shall be authorized to take all such steps and give such directions, as may be necessary, desirable or proper, to resolve any doubts, difficulties or questions that may arise in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner whatsoever connected therewith, whether by reason of any directive or orders of the High Court or any other authorities or otherwise, howsoever arising out of or under or by virtue of this Scheme or any matter concerned or connected therewith and to do and execute all acts, deeds, matters and things necessary for giving effect to this Scheme.

(c) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the authorized officials of the Transferor and the Transferee may give and are hereby authorized to determine and give all such directions as are necessary and

such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

5.5 **Conditionality of the Scheme**

(a) This Scheme is conditional upon and subject to the following:

(i) the Scheme is being agreed to and approved by requisite majority of the various classes of shareholders and creditors of both the Transferee and the Transferor as required under the Companies Act, 1956 unless such meetings are dispensed with by the High Court;

(ii) the Transferee and the Transferor (to the extent applicable) complying with rules, regulations, guidelines issued by the Securities and Exchange Board of India and the Stock Exchanges and the observation letter issued by the Stock Exchanges;

(iii) sanction/approval of appropriate Governmental Authorities as may be required under Applicable Laws;

(iv) this Scheme being sanctioned by the High Court; and

(v) certified copies of the orders of the High Court sanctioning the Scheme being filed by the Transferor and the Transferee, with the Registrar of Companies, Kolkata (West Bengal).

(b) Notwithstanding anything to the contrary contained herein, the non-receipt of any sanctions or approvals for transfer of a particular asset or liability forming part of either of the Transferor to the Transferee pursuant to this Scheme, shall not affect the effectiveness of this Scheme, if the Board of Directors of the respective Transferor and the Transferee so decide.

5.6 **Revocation and withdrawal of this Scheme**

The Board of Directors of the Transferor and the Transferee shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage, but before the Effective date, and where applicable re-file, at any stage in case (a) this Scheme is not approved by the majority of the respective shareholders or creditors of the Transferor and/or the Transferee and/or the High Court or if any other consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not received or delayed; (b) any condition or modification imposed by the shareholders and/or the creditors of the Transferor and/or the Transferee, the High Court and/or any other authority is not acceptable; (c) the coming into effect of this Scheme in terms of the provisions hereof or filing of the drawn up order(s) with any Governmental Authority could have adverse implication on the Transferor and/or the Transferee; or (d) for any other reason whatsoever, and do all such acts, deeds and things as they may deem necessary and desirable in connection therewith and incidental thereto. On revocation, cancellation or withdrawal of this Scheme, the Scheme shall be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* between the Transferor and the Transferee or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs, unless otherwise mutually agreed.

5.7 **Severability**

If any part of this Scheme is held invalid, ruled illegal by any court of competent jurisdiction, or becomes unenforceable for any reason, whether under present or future laws, then it is the intention of both the Transferor and the Transferee that such part of the Scheme shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part of the Scheme shall causes this Scheme to become materially adverse to either the Transferor or the Transferee, in which case the Transferor and the Transferee shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part of the Scheme.

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5.8 **Mutation of property**

Upon the Scheme coming into effect and with effect from the Appointed Date, the title to the immovable properties of the Demerged Undertaking shall be deemed to have been mutated and recognized as that of the Transferee and the mere filing of the certified true copy of the vesting order of the Court sanctioning the Scheme with the appropriate Registrar or Sub-registrar of Assurances or with the relevant Governmental Authority shall suffice as record of continuing title of the immovable properties of the Demerged Undertaking with the Transferee pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

5.9 **Miscellaneous**

(a) Post the Appointed Date, the Transferee has made or may make investments in equity shares / preference share capital / granted loans / any other instruments to the Transferor and may make further investments in preference share capital / grant loans to the Transferor in relation to the business of the Demerged Undertaking and the Remaining Undertaking. The accounting treatment of such investments and loans made after the Appointed Date will be decided by the Board of Directors of the Transferee in its discretion, in accordance with the applicable accounting standards.

(b) The Transferor and the Transferee shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

It is clarified that the aforesaid provisions in respect of declaration of dividends is an enabling provision only and shall not be deemed to confer any right on any shareholder of either the Transferor or the Transferee to demand or claim any dividends, which subject to the provisions of the Companies Act (or Companies Act, 2013, as applicable), shall be entirely at the discretion of the Board of Directors of the Transferor and the Transferee, as the case may be, subject to such approval of the respective shareholders, as may be required.

(c) All costs, expenses, charges, taxes, fees and all other expenses, if any, including stamp duty and registration charges, if any, arising out of or incurred in carrying out and implementing the terms of this Scheme and the incidentals thereto shall be borne and paid by the Transferee.

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Annexure I

Part A - Details of Trademarks of the Demerged Undertaking

S. No.	Trademark	Class	Application No.	Date of Application	Proprietor	Registration Valid Till
1.	Evok	3	1589342	10.08.2007	Hindware Home Retail Pvt. Ltd.	09.08.2017
2.	Evok (Homes with soul)	3	1677516	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
3.	Evok	7	1579362	16.07.2007	Hindware Home Retail Pvt. Ltd.	15.07.2017
4.	Evok (Homes with soul)	7	1677517	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
5	EVOK (logo)	8	1512242	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2006
6	EVOK	8	1502530	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
7.	EVOK Homes with Soul	8	1677518	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
8.	EVOK	11	1579363	16.07.2007	Hindware Home Retail Pvt. Ltd.	15.07.2017
9.	EVOK Homes with Soul	11	1677519	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
10.	Evok	16	1579364	16.07.2007	Hindware Home Retail Pvt. Ltd.	15.07.2017
11.	Evoke (Homes with Soul)	16	1677520	21.04.08	Hindware Home Retail Pvt. Ltd.	20.04.2018
12.	Evok	19	1579365	16.07.2007	Hindware Home Retail Pvt. Ltd.	15.07.2017
13	Incasa	20	1502533	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
14	Evok	20	1512243	12.12.2006	Hindware Home Retail Pvt. Ltd.	–
15	Evok	20	1502535	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
16	Evoke (Homes with Soul)	20	1677522	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
17	Evok	21	1502529	08.11.2006	Hindware Home Retail Pvt. Ltd. (previously Samridhi Suppliers Pvt. Ltd.)	07.11.2016

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18	evok (logo)	21	1512244	12.12.2006	Hindware Home Retail Pvt. Ltd.	–
19	Evoke (Homes with Soul)	19	1677521	21.04.08	Hindware Home Retail Pvt. Ltd.	20.04.2018
20	Evok	24	1502536	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
21	Evok	24	1512245	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2016
22	Evok homes with Soul	24	1677524	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
23	Evok	26	1502537	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
24	Evok	26	1512246	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2016
25	Evok (Homes with Soul)	26	1677525	21.04.2008	Hindware Home Retail Pvt. Ltd.	–
26	Evok (Homes with Soul)	42	1677529	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
27	Evok	27	1502531	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
28	Evok	27	1512247	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2016
29	EVOK HOMES WITH SOUL	27	1677526	21.04.2008	Hindware Home Retail Pvt. Ltd.	–
30	Evok	35	1502538	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
31	INCASA	35	1502534	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016
32	evok	35	1512248	12.12.2006	Hindware Home Retail Pvt. Ltd.	–
33	EVOK (Homes with Soul)	35	1677527	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
34	Evok	37	1579366	16.07.2007	Hindware Home Retail Pvt. Ltd.	–
35	Evok (Homes with soul)	37	1677528	21.04.2008	Hindware Home Retail Pvt. Ltd.	20.04.2018
36	Evok	42	1502532	08.11.2006	Hindware Home Retail Pvt. Ltd.	07.11.2016

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37	Evok	42	1512249	12.12.2006	Hindware Home Retail Pvt. Ltd.	11.12.2016
38	INCASA	20	1502533	08.11.2006	Hindware Home Retail Pvt. Ltd. (previously Samridhi Suppliers Pvt. Ltd.)	–

Part B - Details of registered Copyrights of the Demerged Undertaking

1. EVOK Homes With Soul The Home Fashion Mega Store (LABEL) – Registration No. A-85844/2009

2. EVOK Homes With Soul (LABEL) – Registration Certificate Awaited.

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Annexure II

Details of Assets and Liabilities of Demerged Undertaking of the Transferor as on the Appointed Date

Particulars	Amount in Rs. (in Crores)
Assets	
Non-current assets	
Fixed assets	
Tangible assets	24.08
Intangible assets	0.54
	24.62
Long-term loans and advances	3.99
Other non current assets	0.11
	28.72
Current assets	
Inventories	35.52
Trade receivables	1.90
Cash and bank balances	0.99
Short-term loans and advances	1.87
Other current assets	0.01
	40.29
Total Assets	**69.01**
Non-current liabilities	
Long-term borrowings	1.44
Long-term provisions	0.52
	1.96
Current liabilities	
Short -term borrowings	27.75
Trade payables	14.39
Other current liabilities	12.77
Short-term provisions	0.02
	54.93
Total Liabilities	**56.89**

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Annexure - III

VALUATION REPORT

BUSINESSES

OF

HINDWARE HOME RETAIL PRIVATE LIMITED

("HHRPL")

CERTIFIED TRUE COPY

For HSIL LIMITED

COMPANY SECRETARY

PREPARED BY:-

AARA & COMPANY

CHARTERED ACCOUNTANTS

M-17,4th Floor, Greater Kailash, Part II, Delhi 110048

Regd. Add- A-137, Pocket – B, Group – IV, Dilshad Garden - 110095

Email: carahulbansal@gmail.com

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AARA & COMPANY Chartered Accountants New Delhi

SECTION 1 - APPOINTMENT FOR BUSINESS VALUATION OF HINDWARE HOME RETAIL PRIVATE LIMITED

We refer to the discussion held with the management of the company for carrying out the valuation of business segments of **Hindware Home Retail Private Limited** (hereinafter referred as the "**Transferor**" or "**HHRPL**") for the purpose of the demerger of its retail business undertaking into HSIL. In accordance with the terms of the engagement, we are enclosing our report along with this letter. In attached report, we have summarized our valuation analysis of the retail businesses undertaking and institutional business undertaking (together referred to as the "**Business Undertakings**") of HHRPL as at 31st March 2016 (hereinafter referred to as the "**Valuation Date**") together with the description of methodologies used and limitations on our scope of work. We have carried the valuation on sum of part basis and have separately valued the Business Undertakings. This valuation report is confidential and has been prepared exclusively for certain regulatory compliance purpose. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of **AARA & COMPANY, CHARTERED ACCOUNTANTS.**

Such consent will only be given after full consideration of the circumstance at the time. Trust the above meets your requirements.

Please feel free to contact us in case you require any additional information or clarifications.

FOR AARA & COMPANY
CHARTERED ACCOUNTANTS

PLACE: NEW DELHI
DATE: 09 August 2016

RAHUL BANSAL
PARTNER
M. NO. : 514855
FRN NO.: 023447N

AARA & COMPANY
FRN: 023447N
New Delhi
Chartered Accountants

SECTION II – EXECUTIVE SUMMARY

As represented by the key management of the company, we understand that the management of HSIL Limited wants to determine the value of the Business Undertakings of HHRPL as on the Valuation Date for the purpose of demerger of retail business of HHRPL into HSIL pursuant to a Composite Scheme of Arrangement. Thus in this respect, we **AARA & COMPANY, CHARTERED ACCOUNTANTS** have been appointed by HSIL to determine the value of the Businesses Undertakings of HHRPL.

Based on our analysis of HHRPL and subject to our comments and caveats as further detailed in this report, we have arrived at the fair value of the retail business undertaking as INR 18,494.74 Lacs and fair value of institutional business undertaking as INR 461.36 Lacs.

Thus based on our valuation analysis the share capital of HHRPL allocable between the retail business undertaking and the institutional business undertaking is 98%:2%.

Note *In arriving at the fair value of the Business Undertakings i.e. the retail business undertaking and the institutional business undertaking the entire share capital consisting of equity share capital, non-cumulative redeemable preference share capital and security premium account has been treated under one class for the purpose of valuation after discussing with the management.*

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SECTION III – PURPOSE OF VALUATION

ABOUT THE TRANSACTION

Based on the discussions held with the Management and Key Managerial Personnel ("**KMPs**"), we understand that the management of HSIL wants to understand the value of the Business Undertakings of HHRPL for the purpose of demerger of retail business undertaking of HHRPL into HSIL pursuant to a Composite Scheme of Arrangement.

SCOPE OF SERVICES

This valuation report has been prepared by **AARA & COMPANY, CHARTERED ACCOUNTANTS** to determine the value of the Business Undertakings of HHRPL. We have analyzed the financial statements and business model of HHRPL as well as looked into the actual status of the company.

SCOPE LIMITATION

This valuation report has been prepared on the basis of the **Certified Projected Financials** provided separately for the retail business undertaking and the institutional business undertaking as well as the information available in public domain, along with discussion held with the KMPs. It is pertinent to mention that the valuation of a business is not an exact science and ultimately depends upon a number of factors like the past financials; expected financial results, industry scenario, market recognition etc. and any change in this may have significant valuation impact.

The valuation exercise was carried out under the following limitations:

- The valuation analysis of the Business Undertakings of HHRPL is based upon the future projections of HHRPL provided to us, which is based upon various assumptions made by HHRPL relating to the operations of its business and any change in these assumptions may have an impact on the conclusion of this report.

- We have not made an appraisal or independent valuation of any of the assets or liabilities of HHRPL and have not conducted an audit or due diligence or reviewed/validated the financial data provided by KMPs.

- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them.

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There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover

- Our valuation is based on its management certified projections provided to us, which they believe will hold good in the time to come and we have relied accordingly, we can't comment on the same and believe that this valuation holds true if the projections detailed by the management are actually achieved.

SECTION IV – VALUATION METHODOLOGY, APPROACH AND ANALYSIS

Valuation is the process of determining the "Economic Wealth" of company under certain assumptions and limiting condition and subject to data available on the valuation date. It is pertinent to mention that the valuation of a business is not an exact science and ultimately depends upon a number of factors like the purpose of valuation, stage of business, past financials, expected financial results, industry scenario, market recognition etc.

Globally there are only three approaches to valuation namely:

- Asset Approach,
- Income Approach; and
- Market Approach.

In the present context we have applied the income approach as HHRPL has business and fair value can be judged based on the future earning potential, we have ignored the market approach as there are no exact peer available with the same maturity stage of business.

METHODOLIGIES CONSIDERED FOR VALUATION ANALYSIS

We have looked into all the approaches to valuation but finally restricted ourselves to the income approach looking into the business model, maturity stage of business and also the segment to which this company belongs to. Under income approach we have applied the Discounted Free Cash Flow Methodology ("**DFCF**").

DISCOUNTED FREE CASH FLOW METHOD (DFCF):

The DFCF to equity method expresses the present value of the business attributable to equity shareholders as a function of its future cash earnings capacity. This methodology works on the premise that the value of a business is measured in terms of future cash flow streams, discounted to the present time at an appropriate discount rate. The value of the equity is arrived at by estimating the Free Cash Flows ("**FCF**") to equity and discounting the same at the cost of equity ("**Ke**"). The DFCF method using the FCF, values the benefits that accrue to the equity shareholders of the company. This is estimated by forecasting the free cash flows available for the company (which are derived

on the basis of likely future earnings of the companies) and discounting these cash flows to their present value at the Ke. The DFCF methodology is considered to be the most appropriate basis for determining the earning capability of a business. It expresses the value of a business as a function of expected future cash earnings in present value terms. The approach seeks to measure the intrinsic ability of the business to generate cash attributable to its equity shareholders.

In the DFCF approach, the appraiser estimates the cash flows of any business after all operating expenses, taxes, and necessary investments in working capital and capex is being met. Valuing business using the free cash flow to stockholders requires estimating only free cash flow to the shareholders, after debt holders have been paid off. As this methodology is focused at the shareholders so the interest and finance charges are also deducted.

We have been provided the projected financial statements considering business plan of the Business Undertakings based on which, we have calculated the value of HHRPL under DFCF and then derived the value by adjusting debts and cash balance as on the date of valuation.

The following table provides generalized steps for using discounted free cash flows to estimate the value of the firm and then to derive the value of shareholders of HHRPL.

STEPS FOR FINDING FCF TO VALUE EQUITY SHARES		
	Profit before tax	Step 1:Arrive at Profit Before Tax
-	Taxes	Step 2: Less tax
=	Profit after tax	Step 3: Add back non-cash costs (already subtracted in step 1).
+	Non-cash costs	
-	Capital expenditures	Step 4: Subtract capital expenditures
-	Increase in NCWC	Step 5: Subtract increases in non cash working capital.
+	Interest Cost (Post Tax)	Step 6: Adding Interest cost (post Tax)
+	Terminal Value	Step 7: Add the terminal value accruing in the final year.
=	Free Cash Flow to Firm	
=	DFCF	Step 8: Discount the FCF for each year with WACC
=	Enterprise Value	Step 9: Value of the Firm

	+	Cash as on Valuation Date		Step10: Adding Cash
	-	Debt as on Valuation Date		Step11:Substract Debt
	=	Equity Value		Step12:Value to the shareholders

For the purpose of valuation of the shares and in this transaction through DFCF methodology, we have relied upon the separate projections for the Business Undertakings as provided by the KMPs for next 5 financial years ending 2021 duly supplemented by its terminal value based on the Gordon Model along with the discussions held with the KMPs and extrapolating the free cash flows at an annual growth rate of 5 percent to perpetuity for both the business segment.

To arrive at weighted average cost of capital ("**WACC**"), we have calculated the Ke to be 16.15 %, WACC to be 13.62% for the retail business undertaking and Ke to be 19.15% (including additional risk premium) and WACC of 15.93% for Institutional business. For calculating the cost of equity as per Modified CAPM Model i.e. [Ke = Rf+ B (Rm-Rf) +CSRP], we have considered the Risk Free rate as per 10 year government bond yield. The return from the market is taken as 20 years average return from the Indian Sensex, and the Beta value (B) based on its Comparable Companies.

SECTION V- CAVEATS

- This report has been issued on the specific request of HSIL to ascertain the value of the Business Undertakings of HHRPL for the demerger of retail business undertaking of HHRPL into HSIL pursuant to the Composite Scheme of Arrangement. This report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this nor its content may be used for any other purpose without prior written consent of **M/s AARA & COMPANY, CHARTERED ACCOUNTANTS.**

- The valuation analysis of the Business Undertakings is based upon the future projections of HHRPL provided to us and values appearing in the provisional financial statement of HHRPL for the year ending 31st March 2016 provided to us, which is based upon various assumptions made by HHRPL relating to the operations of its business and any change in these assumptions may have an impact on the conclusion of this report.

- No investigation of HHRPL's claim to title of assets has been made for the purpose of this report and HHRPL's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in accounts. Therefore, no responsibility is assumed for matter of legal nature.

- In accordance with the customary approach adopted in valuation exercise, we have summarized the valuation analysis of the Business Undertakings of HHRPL based on the information as was provided to us by the KMPs of HHRPL both written, verbal and other publically available information. We do not assume any responsibility for the accuracy or reliability of such documents on which we have relied upon in forming our opinion.

- This report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition we express no opinion or recommendation, and the shareholders are expected to exercise their own discretion.

- We have no present or planned future interest in HHRPL and HSIL and the fee for this valuation analysis is not contingent upon the values reported herein. The valuation analysis contained herein is not intended to represent the value at any time other than the date that is specifically stated in this report.

- We have not carried out valuation of land and building of HHRPL and solely relied upon the information provided to us by the KMPs of HHRPL.

- We and our affiliates in the past might have provided or in the future may provide consulting services on a professional capacity and disclaim holding any interest in HHRPL or HSIL.

- The report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

- In no circumstances shall the liability of a valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set

AARA & COMPANY

out in this valuation report shall exceed the amount paid to such valuer in respect of the fees charged by it for these services.

Annexure- VALUATION COMPUTATION

DISCOUNTED CASH FLOW ANALYSIS OF RETAIL BUSINESS						
YEAR	2017	2018	2019	2020	2021	Terminal
PARTICULARS	All Amount in INR Lacs					
Turnover	**11,489.38**	**14,128.48**	**17,374.58**	**21,367.29**	**26,278.31**	-
PBT	(680.78)	111.70	800.73	1,932.88	3,236.56	-
Less : Direct Taxes Paid	-	-	-	-	-	-
PAT	**(680.78)**	**111.70**	**800.73**	**1,932.88**	**3,236.56**	-
Add : Depreciation	560.65	608.65	656.65	704.65	752.65	-
Less :Capital Expenditure	**350.00**	**400.00**	**400.00**	**400.00**	**400.00**	-
Add : Interest (Post Tax)	300.27	283.67	312.46	319.59	378.56	-
Less: Non Cash Working Capital	372.86	(111.08)	316.36	41.93	636.57	-
Free Cash Flow	**(542.73)**	**715.10**	**1,053.47**	**2,515.18**	**3,331.19**	**30,051.66**
Discounting Factor	0.88	0.77	0.68	0.60	0.53	0.53
Present value of Cash flow	**(477.68)**	**553.96**	**718.27**	**1,509.35**	**1,759.44**	**15,872.42**
Enterprise Value	**19,935.76**					
Add: Cash +Surplus as on 31.03.2016	**47.85**					
Less: Debt as on 31.03.2016	**2,358.63**					
Add: Tax Benefit on losses	**869.76**					
Value of Retail Business	**18,494.74**					

Discounted Free Cash flow for Institutional Business						
YEAR	2017	2018	2019	2020	2021	Terminal
PARTICULARS	All Amount in INR Lacs					
Turnover	**49.92**	**61.40**	**75.52**	**92.89**	**114.25**	-
PBT	(41.73)	17.76	26.05	36.78	50.18	-
Less : Direct Taxes Paid		-	-	-	-	-

AARA & COMPANY Chartered Accountants

PAT	(41.73)	17.76	26.05	36.78	50.18	-
Add : Depreciation	-	-	-	-	-	-
Less :Capital Expenditure	-	-	-	-	-	-
Add : Interest (Post Tax)	0.34	1.03	1.17	1.21	1.48	-
Less: Non Cash Working capital	(280.60)	(67.89)	1.38	0.18	2.77	-
Free Cash Flow	**239.20**	**86.68**	**25.84**	**37.81**	**48.89**	**341.96**
Discounting Factor	0.86	0.74	0.64	0.55	0.48	0.48
Present value of Cash flow	**206.34**	**64.49**	**16.59**	**20.93**	**23.35**	**163.32**
Enterprise Value	**495.03**					
Add: Cash +Surplus as on 31.03.2016	**14.27**					
Less: Debt as on 31.03.2016	**47.93**					
Value of Institutional Business	**461.36**					

AARA & CO. Chartered Accountants FRN New Delhi

Annexure-IV

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REPORT OF THE AUDIT COMMITTEE OF HSIL LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN HINDWARE HOME RETAIL PRIVATE LIMITED AND HSIL LIMITED AND THEIR SHAREHOLDERS AND CREDITORS

MEMBERS PRESENT:

1) Mr. N. G. Khaitan – In the Chair
2) Mr. Salil Bhandari - Member

IN ATTENDANCE:

Ms. Payal M Puri – Company Secretary

1. PREAMBLE AND BACKGROUND

A draft scheme of arrangement under Section 391 to 394 of the Companies act, 1956, read with Sections 100-104 of the Companies Act, 1956 and/or applicable sections of the Companies Act, 2013, between Hindware Home Retail Private Limited (the Transferor) and HSIL Limited (the Transferee) and their respective Shareholders and Creditors, was placed before the Audit Committee of the Board of Directors of HSIL Limited ("Audit Committee") at their meeting held on 10th August, 2016, by the management of HSIL Limited for consideration and, if thought fit, to recommend the Draft Scheme to the Board of Directors of HSIL Limited.

The Securities and Exchange Board of India ("SEBI") vide its Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 ("SEBI Circular"), has amongst other requirements, sought a report from the Audit Committee of Listed companies recommending the draft scheme.

Pursuant to and in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee at their meeting held on 10th August, 2016 has examined the following documents, amongst others:

1. Draft Composite Scheme of arrangement.
2. Valuation report issued by M/S AARA & Company, Chartered Accountants.
3. Fairness Opinion issued by M/S Corporate Professionals Capital Private Limited. (Merchant Bankers)
4. Certificate from M/s Walker Chandiok & Co. LLP, Statutory Auditors of the Company, in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para I (A) (5) of Annexure I of the SEBI Circular confirming that the accounting treatment contained in the Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

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For HSIL LIMITED

COMPANY SECRETARY

hindware

Since, HHRPL is wholly owned subsidiary of the Company, the Company owns 100% of the paid up capital of HHRPL and as a result of the arrangement, the shares held by the Company in HHRPL will stand cancelled, with no issue of shares or payment of other consideration by the Company to the shareholders of HHRPL.

The Audit Committee also reviewed and noted the following:

2. SALIENT FEATURES OF THE DRAFT SCHEME

This Scheme proposes to demerge the Demerged Undertaking, comprising the retail business undertaking of the Transferor, from the Transferor and transfer the same to the Transferee, on a going concern basis, such that the Demerged Undertaking becomes the undertaking of the Transferee on and from the Appointed Date. On and from the Appointed Date, the Transferor will continue with the business of the Remaining Undertaking.

3. RATIONALE OF THE SCHEME

The Audit Committee at its meeting held on 10th August, 2016 noted the background and rationale for the said Scheme. The rationale for the demerger of the Transferred Undertaking into the Transferee is, inter alia, as follows:

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

4. RECOMMENDATION OF THE AUDIT COMMITTEE

The Audit Committee, after perusal, deliberation and review of the provisions of the Draft Scheme along with the Valuation Report, Fairness Opinion and other documents listed above do hereby unanimously recommend the Draft Scheme (inter-alia, taking into consideration that there would not be any issuance of shares and consequently no valuation process is required) for favourable consideration by the Board of Directors of the Company, SEBI, the BSE Limited and the National Stock Exchange of India Limited.

For **HSIL LIMITED**

N.G.Khaitan
Chairman of the Audit Committee

Place: Gurgaon
Date: 10 August, 2016

FAIRNESS OPINION

09th August 2016

Corporate Professionals
WHERE EXCELLENCE IS LAW

To,

The Board of Directors

Hindware Home Retail Private Limited

AND

HSIL Limited

Ref. No: CPC/MB/62A/2016-17

SEBI Reg. No: INM00001143

Subject: Fairness opinion for the proposed demerger of Retail Business Undertaking of Hindware Home Retail Private Limited ("Transferor") to its holding company HSIL Limited ("Transferee") pursuant to the Composite Scheme of Arrangement in terms of sub-para Para 8(b) of Para I(A) of Annexure I of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30 November 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Circular") issued by the Securities and Exchange Board of India ("SEBI")

Dear Sirs,

We refer to the request made by the management of **M/s HSIL Limited** (hereinafter referred to as "HSIL"/ "Transferee") and **M/s Hindware Home Retail Private Limited** (hereinafter referred to as "HHRPL"/ "Transferor"), for the purpose of arriving at an opinion on Valuation Report and Share Entitlement Report each dated 09 August 2016, issued by **AARA & COMPANY, Chartered Accountants** (hereinafter referred as "Valuer") in respect of the proposed Composite Scheme of Arrangement w.e.f. the appointed date i.e. 1st April, 2015 to be sanctioned by the Hon'ble High Court of relevant jurisdiction u/s 391-394 of the Companies Act, 1956 read with Section 100-104 of Companies Act, 1956 and other applicable Sections of the Companies Act, 2013 (to the extent notified).

In terms of our assigned engagement, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the documents submitted to us and does not constitute our independent Valuation or Share Entitlement Analysis. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

Corporate Professionals Capital Pvt. Ltd. D-28 South Ex. Part-I New Delhi 110049

The opinion is confidential and has been prepared exclusively for the management of the Transferor and Transferee. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

For Corporate Professionals Capital Private Limited

Chander Sawhney	**Maneesh Srivastava**
[Partner]	**[Associate Vice President]**

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Caveats 9

CONTEXT AND BACKGROUND

1. We understand that HSIL Limited is a widely held listed company having its equity shares listed at Bombay Stock Exchange Limited ("**BSE**") and National Stock of India Limited ("**NSE**"). It is proposed that HHRPL shall demerge its retail business undertaking (hereinafter referred as "**Demerged Undertaking**") into HSIL on a going concern basis and reduce and reorganize its share capital through a Composite Scheme of arrangement ("**Scheme**") under the provisions of Section 391 to 394 of Companies Act, 1956 read with Section 100 to 104 of Companies Act, 1956 and other applicable Sections of the Companies Act, 2013 (to the extent notified).

2. In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**") read with SEBI Circular no CIR/CFD/CMD/16/2015, dated November 30, 2015, listed companies are required to submit the "Fairness Opinion" obtained by a Merchant Banker on the Valuation of assets / shares done by the Valuer for the listed entity and unlisted company.

3. With reference to the above, we **Corporate Professionals Capital Private Limited** have been appointed as a Merchant Banker by HSIL & HHRPL to provide the "Fairness Opinion" on the said Scheme.

Corporate Professionals Capital Pvt. Ltd. D-28 South Ext. Part-I New Delhi-110049

BRIEF ABOUT COMPANIES

1. Hindware Home Retail Private Limited ("HHRPL" or "Transferor")

Hindware Home Retail Private Limited (hereinafter referred to as "**HHRPL**" or the "**Transferor**") is a private limited company incorporated and existing under the provisions of the Companies Act, 1956 (now Companies Act, 2013, to the extent notified and made applicable), with its registered office at 2, Red Cross Place, Kolkata - 700001. HHRPL was incorporated on November 24, 2005 in the State of West Bengal as Samridhi Suppliers Private Limited. Consequent to change of name of the Transferor to the present name Hindware Home Retail Private Limited, a fresh certificate of incorporation dated November 28, 2006 was issued by the Registrar of Companies, Kolkata (West Bengal) in favor of the Transferor. The Corporate Identity Number of the Transferor is U51109WB2005PTC106307. The Transferor is a wholly owned subsidiary of the Transferee.

2. HSIL Limited ("HSIL" or "Transferee")

HSIL Limited, (hereinafter referred to as "**HSIL**" or the "**Transferee**") is a public limited company incorporated and existing under the provisions of the Companies Act, 1956 (now Companies Act, 2013, to the extent notified and made applicable), having its registered office at 2, Red Cross Place, Kolkata - 700001. The Transferee was incorporated on February 8, 1960 under the name Hindusthan Twyfords Limited. Subsequently, the name of the Transferee was changed to Hindustan Sanitaryware & Industries Limited with effect from May 3, 1969, and the Transferee obtained a fresh Certificate of Incorporation from the Registrar of Companies, Kolkata (West Bengal), to the said effect. The name Hindustan Sanitaryware & Industries Limited was further changed to the present name HSIL Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Kolkata (West Bengal) on March 24, 2009 in favor of the Transferee. The Corporate Identity Number of the Transferee is L51433WB1960PLC024539. The Transferee is authorized to and is *inter alia* engaged in the business of manufacturing, preparing, importing, exporting, buying, selling and otherwise dealing in all kinds of sanitaryware, faucets, other lifestyle products, consumer products, glass and plastic packaging material. The equity shares of the Transferee are listed on the Bombay Stock Exchange and the National Stock Exchange.

VALUER ANALYSIS

- The Valuation of the Retail Business and Institutional Business of HHRPL has been carried by Valuer M/s AARA & Company, Chartered Accountants as per their report dated 09 August 2016. Further, basis the reading of the draft Scheme, Valuation Report, Share Entitlement report and discussion with the Management, we understand that:

  - There would be no change in the shareholding pattern of HSIL pursuant to the coming into effect of the Scheme.
  - No new shares are proposed to be issued by HSIL as HHRPL is wholly owned subsidiary (WOS) of HSIL.

Pursuant to Demerger as per the scheme of arrangement

The issued, subscribed and paid-up equity share capital of the Transferor shall be reorganised by reducing the face value and paid up value of equity shares of Rs 10 (Rupees Ten) each of the Transferor to Re 0.20 (Paisa Twenty) each. Simultaneously, the equity share capital of the Transferor shall be reorganized and consolidated and as a result, every shareholder of the Transferor holding 50 (Fifty) equity shares of face value and paid up value of Re 0.20 (Paisa Twenty) each shall be issued 1 (One) equity share of face value and paid up value of Rs 10 (Rupees Ten) each.

Further, the issued, subscribed and non cumulative preference share capital of the Transferor shall be reorganised by reducing the face value and paid up value of preference shares of Rs 100 (Rupees Hundred) each of the Transferor to Re 2 (Rupees Two) each. Simultaneously, the noncumulative preference share capital of the Transferor shall be reorganized and consolidated and as a result, every shareholder of the Transferor holding 50 (fifty) preference shares of face value and paid up value of Re 2 (Rupees Two) each shall be issued 1 (One) preference share of face value and paid up value of Rs 100 (Rupees Hundred) each.

And, the securities premium shall stand reduced by an amount of Rs 20,58,00,000 (Rupees Twenty Crore Fifty Eight Lacs).

It is further clarified that any share capital of the Transferor issued and allotted post the Appointed Date and prior to the Record Date shall be reorganized and adjusted in pursuance to the demerger and the transfer and vesting of the Demerged Undertaking in the Transferee, in the manner as provided in Paragraph 1, 2 and 3 above

It is hereby clarified that pursuant to the reduction and reorganisation of capital of the Transferor in the manner as provided under Paragraph 1to 4, no fractional equity shares or

non-cumulative preference shares shall be issued by the Transferor and all fractional entitlements shall be rounded off to the nearest higher integer.

The valuer has further relied upon the division wise Balance Sheet of HHRPL as on 31st March 2015 as certified by the Management and provided to us.

CONCLUSION & OPINION

- With reference to above and based on information provided by the management/ Valuer of the entities forming part of the Scheme and after discussions with the management/Valuer, we understand that the present Scheme has been proposed to:

  - ensure provision of adequate and necessary financial support and managerial capabilities of the Transferee for the growth of retail business;
  - consolidate retail business undertaking with the Transferee to achieve synergies in operations and optimal utilisation of resources, thereby reducing operating costs of running the retail business;
  - reduce the inter se transactions between HSIL and HHRPL, thereby reducing administrative costs and achieving efficiencies; and
  - enhance the shareholders' value of HSIL and HHRPL.

- Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI Circular no CIR/CFD/CMD/16/2015, dated November 30, 2015 have reviewed the Valuation Report and Share Entitlement Report of the Valuer, **AARA & Company, Chartered Accountants,** for the proposed demerger of the retail business undertaking of HHRPL and vesting of the same with HSIL on going concern basis and reducing and reorganization the capital of HHRPL to be fair and reasonable to the shareholders of both the Transferee and Transferor.

CAVEATS

- We wish to emphasize that; we have relied on explanations and information both verbal and written provided by the respective key managements, Valuer and other public available information while verifying the valuation report. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.

- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed/validated the financial data except what is provided to us by the Companies.

- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.

- We have no present or planned future interest in M/s Hindware Home Retail Private Limited and M/s HSIL Limited and the fee payable for this opinion is not contingent upon the opinion reported herein.

- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.

- The opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion. This Fairness Opinion is issued on the understanding that the Management / Valuer of M/s Hindware Home Retail Private Limited and M/s HSIL Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of Valuation. We have no responsibility to update this report for events and circumstances occurring after this date.

- This Fairness Opinion of ours as a Cat-1 Merchant Banker is subject to the caveats above as well as the Caveats of the Valuer mentioned in its Valuation Report dated August 09, 2016.

Corporate Professionals Capital Pvt. Ltd. D-28 South Ex. Part-I New Delhi

- The Fairness Opinion provided by us should not be construed as a legal opinion on the Petition to be filed u/s 391-394 of the Companies Act, 1956 read with Section 100-104 of Companies Act, 1956 and other applicable Sections of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent notified).

- Our report is not, nor should it be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such proposed Scheme.

Annexure - I

Format of holding of specified securities

1. Name of Listed Entity: HSIL LTD. (CIN L51433WB1960PLC024539)

2. Scrip Code 500187 Name of Scrip :- Class of Security Equity

3. Share Holding Pattern Filed under : Reg. 31(1)(a)/Reg. 31(1)(b)/Reg. 31(1)(c)
   a. If under 31 (1)(b) then indicate the report for Quarter ending: 09/08/2016
   b. If under 31(1)(c) then indicate date of allotment/extinguishment

4. **Declaration** : The Listed entity is required to submit the following declaration to the extent of submission of information:-

	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in Locked-in?		No
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No

* If the Listed Entity selects the option 'No' for the questions above, the columus for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website.Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities

5. The tabular format for disclosure of holding of specified securities is as follows :-

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For HSIL LIMITED

COMPANY SECRETARY

Annexure. VI
(Pre-shareholding Pattern)

HSIL LTD

Table I - Summary Statement holding of specified securities as on 09/08/2016

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights										
								Class eg:x	Class eg:y	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter & Promoter group	9	34455786	0	0	34455786	47.6591	34455786	0	34455786	47.6591	0	47.6591	0	0.0000	0	0.0000	34455786
(B)	Public	26724	37840609	0	0	37840609	52.3409	37840609	0	37840609	52.3409	0	52.3409	0	0.0000	NA		36684290
(C)	Non Promoter - Non Public															NA		
(C1)	Shares underlying DRs						NA									NA		
(C2)	Shares held by Employee Trusts															NA		
	Total	26733	72296395	0	0	72296395	100.0000	72296395	0	72296395	100.0000	0	100.0000	0				71140076

MAHESWARI DATAMATIC PVT. LTD. KOLKATA

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Table I - Statement Showing shareholding pattern of the Promoter and Promoter Group as on 30/06/2016

Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos.shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX) No of Voting rights: Class X	Class Y	Total	Total as a % of Total Voting rights	No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) No. (a)	As a % of total shares held (b)	Number of shares pledged or otherwise encumbered (XIII) No. (a)	As a % of total shares held (b)	Number of equity shares held in dematerialized form (XIV)
(1) Indian																		
Individuals/Hindu Undivided Family		6	5747719	0	0	5747719	7.9502	5747719	0	5747719	7.9502	0	7.9502	0	0.0000	0	0.0000	5747719
RAJENDRA KUMAR SOMANY	AVPPS6274J	1	2620114	0	0	2620114	3.6241	2620114	0	2620114	3.6241	0	3.6241	0	0.0000	0	0.0000	2620114
SANDIP SOMANY	AVPPS6270N	1	1914664	0	0	1914664	2.6484	1914664	0	1914664	2.6484	0	2.6484	0	0.0000	0	0.0000	1914664
RAJENDRA KUMAR SOMANY	AAOHM2990C	1	913120	0	0	913120	1.2630	913120	0	913120	1.2630	0	1.2630	0	0.0000	0	0.0000	913120
DIVYA SOMANY	ALMPS4608B	1	146912	0	0	146912	0.2032	146912	0	146912	0.2032	0	0.2032	0	0.0000	0	0.0000	146912
SUMITA SOMANY	ALMPS0475L	1	76665	0	0	76665	0.1060	76665	0	76665	0.1060	0	0.1060	0	0.0000	0	0.0000	76665
SHASHWAT SOMANY	FNCPS4665E	1	76244	0	0	76244	0.1055	76244	0	76244	0.1055	0	0.1055	0	0.0000	0	0.0000	76244
(b) Central Government/State Government(s)																		
(c) Financial Institutions/Banks																		
(d) Any Other (specify)																		
Bodies Corporate		4	28708067	0	0	28708067	39.7086	28708067	0	28708067	39.7086	0	39.7086	0	0.0000	0	0.0000	28708067
PACO EXPORTS LIMITED	AABCP7793K	1	21058067	0	0	21058067	29.1274	21058067	0	21058067	29.1274	0	29.1274	0	0.0000	0	0.0000	21058067
SOMA INVESTMENTS LTD	AAACS0348F	1	4000000	0	0	4000000	5.5328	4000000	0	4000000	5.5328	0	5.5328	0	0.0000	0	0.0000	4000000
NEW DELHI INDUSTRIAL PROMOTORS AND INVESTORS LTD	AAACN0202L	1	3650000	0	0	3650000	5.0467	3650000	0	3650000	5.0467	0	5.0467	0	0.0000	0	0.0000	3650000
Sub Total		8	34455786	0	0	34455786	47.6561	34455786	0	34455786	47.6561	0	47.6561	0	0.0000	0	0.0000	34455786
(2) Foreign																		
(a) Individuals (Non-Resident Individuals/Foreign Individuals)																		
(b) Government																		
(c) Institutions																		
(d) Foreign Portfolio Investor																		
(e) Any Other (specify)																		
Sub Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		8	34455786	0	0	34455786	47.6561	34455786	0	34455786	47.6561	0	47.6561	0	0.0000	0	0.0000	34455786

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For HSIL LIMITED

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HSIL LTD

Table III - Statement showing shareholding pattern of the Public shareholder as on 06/09/2019

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR 1957) As a % of (A+B+C2) (VIII)	Number of voting Rights held in each class of securities (IX) No of Voting Rights: Class x	Class y	Total	Total as a % of Total Voting rights	No. of shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII): No. (a)	As a % of total shares held (b)	Number of shares pledged or otherwise encumbered (XIII): No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	Number of equity shares held in dematerialized form (XIV)
(1)	Institutions																		
(a)	Mutual Funds / UTI		36	16156556	0	0	16156556	22.3477	16156556	0	16156556	22.3477	0	22.3477	0	0.0000	NA		16156556
	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE CAPITAL BUILDER FUND - SR A	AAATR0090B	5	6396218	0	0	6396218	8.8472	6396218	0	6396218	8.8472	0	8.8472	0	0.0000	NA		6396218
	SUNDARAM MUTUAL FUND A/C SUNDARAM INFRASTRUCTURE ADVANTAGE FUND	AAAT5255Q	14	4024082	0	0	4024082	5.5661	4024082	0	4024082	5.5661	0	5.5661	0	0.0000	NA		4024082
	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	AAATH1809A	3	2461944	0	0	2461944	3.4053	2461944	0	2461944	3.4053	0	3.4053	0	0.0000	NA		2461944
	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE EMERGING LEADE	AAAT8010Q	6	1366000	0	0	1366000	1.8922	1366000	0	1366000	1.8922	0	1.8922	0	0.0000	NA		1366000
	UTI - CAPITAL PROTECTION ORIENTED SCHEME - SERIES V II (1135 DAYS)	AAATU1888L	3	1129479	0	0	1129479	1.5623	1129479	0	1129479	1.5623	0	1.5623	0	0.0000	NA		1129479
(b)	Venture Capital Funds																		
(c)	Alternate Investment Funds		1	204000	0	0	204000	0.2822	204000	0	204000	0.2822	0	0.2822	0	0.0000	NA		204000
(d)	Foreign Venture Capital Investors																		
(e)	Foreign Portfolio Investors		41	3791886	0	0	3791886	5.2449	3791886	0	3791886	5.2449	0	5.2449	0	0.0000	NA		3791886
	ONTARIO PENSION BOARD - MONDRIAN INVESTMENT PARTNERS LIMITED	AABCO1923B	1	1021732	0	0	1021732	1.4133	1021732	0	1021732	1.4133	0	1.4133	0	0.0000	NA		1021732
(f)	Financial Institutions / Banks		11	178507	0	0	178507	0.2469	178507	0	178507	0.2469	0	0.2469	0	0.0000	NA		152463
(g)	Insurance Companies		1	500	0	0	500	0.0007	500	0	500	0.0007	0	0.0007	0	0.0000	NA		0
(h)	Provident Funds / Pension Funds																		
(i)	Any Other (specify)																		
	Foreign Institutional Investors		20	3339952	0	0	3339952	4.6115	3339952	0	3339952	4.6115	0	4.6115	0	0.0000	NA		3339952
	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND L.P.	AATFM8880D	1	2124450	0	0	2124450	2.9355	2124450	0	2124450	2.9355	0	2.9355	0	0.0000	NA		2124450
	KOTAK MAHINDRA NBFC LTD A/C NON MODCAP (MAURITIUS) LTD	AAGCK0996H	1	840000	0	0	840000	1.1605	840000	0	840000	1.1605	0	1.1605	0	0.0000	NA		840000

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HSIL LTD

Table III - Statement Showing shareholding pattern of the Public shareholder as on 28/06/2014

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX) No of Voting Rights: Class x	Class y	Total	Total as a % of Total Voting rights	No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII): No. (a)	As a % of total shares held (b)	Number of shares pledged or otherwise encumbered (XIII): No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	Number of equity shares held in dematerialized form (XIV)
	Sub Total		110	23665401	0	0	23665401	32.7339	23665401	0	23665401	32.7339	0	32.7339	0	0.0000	NA		23649057
(2)	Central Government / State Government(s) / President of India																		
(3) (a)	Non-institutions Individuals																		
	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs		24787	9609350	0	0	9609350	13.2916	9609350	0	9609350	13.2916	0	13.2916	0	0.0000	NA		8491057
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs		2	118269	0	0	118269	0.1636	118269	0	118269	0.1636	0	0.1636	0	0.0000	NA		118269
(b)	NBFCs registered with RBI		5	319278	0	0	319278	0.4416	319278	0	319278	0.4416	0	0.4416	0	0.0000	NA		319278
(c)	Employee Trusts																		
(d)	Overseas Depositories (holding DRs) (balancing figure)																		
(e)	Any Other (specify)																		
	Bodies Corporate		486	2787263	0	0	2787263	3.8553	2787263	0	2787263	3.8553	0	3.8553	0	0.0000	NA		2779500
	FAERING CAPITAL INDIA EVOLVING FUND	AAATF3215E	1	750000	0	0	750000	1.0374	750000	0	750000	1.0374	0	1.0374	0	0.0000	NA		750000
	AMBIT CORPORATE FINANCE PRIVATE LIMITED	ABBFA0054C	1	748108	0	0	748108	1.0348	748108	0	748108	1.0348	0	1.0348	0	0.0000	NA		748108
	Clearing Member		407	442040	0	0	442040	0.6114	442040	0	442040	0.6114	0	0.6114	0	0.0000	NA		442040
	Non Resident Individual		540	896008	0	0	896008	1.2394	896008	0	896008	1.2394	0	1.2394	0	0.0000	NA		865040
	Trusts		4	3000	0	0	3000	0.0041	3000	0	3000	0.0041	0	0.0041	0	0.0000	NA		3000
	Sub Total		26514	14175208	0	0	14175208	19.6071	14175208	0	14175208	19.6071	0	19.6071	0	0.0000	NA		13035233
	Total Public Shareholding (B)=(B1)+(B2)+(B3)		26724	37840609	0	0	37840609	52.3409	37840609	0	37840609	52.3409	0	52.3409	0	0.0000	NA		36684290

For HSIL LIMITED

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HSIL LTD

Table - V Statement Showing shareholding pattern of the Non Promoter - Non Public shareholder as on 09/08/2014

	Category & Name of the Shareholders (I)	PAN (II)	No of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX) No. of Voting Rights				No of shares Underlying outstanding convertible securities (including Warrants) (X)	Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									Class x	Class y	Total	Total as a % of Total Voting rights			No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
(1)	Custodian / DR Holder																		
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)																		
	Total Non Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0

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For HSIL LIMITED

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HSIL LTD

Shareholding Summary as on 09/08/2016

Form	No of Records	No of Shares
PHYSICAL	2357	1156319
NSDL	16896	67562717
CDSL	7480	3577359
TOTAL	26733	72296395

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For HSIL LIMITED

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Annexure - I

Format of holding of specified securities

1. Name of Listed Entity: HSIL LTD. (CIN:L51433WB1960PLC024638)

2. Scrip Code 500187 Name of Scrip - - Class of Security Equity
3. Share Holding Pattern Filed under : Reg. 31(1)(a)/Reg. 31(1)(b)/Reg. 31(1)(c)
   a. If under 31 (1)(b) then indicate the report for Quarter ending 10/08/2016
   b. If under 31(1)(c) then indicate date of allotment/extinguishment

4. **Declaration** : The Listed entity is required to submit the following declaration to the extent of submission of information:-

	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in Locked-in?		No
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No

* If the Listed Entity selects the option 'No' for the questions above, the columus for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website.Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

5. The tabular format for disclosure of holding of specified securities is as follows:-

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(Post-Shareholding Pattern)

HSIL LTD

Table I - Summary Statement holding of specified securities as on 10/08/2015

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights						No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class eg:x	Class eg:y	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter group	9	34455766	0	0	34455766	47.6591	34455766	0	34455766	47.6591	0	47.6591	0	0.0000	0	0.0000	34455766
(B)	Public	28610	37840609	0	0	37840609	52.3409	37840609	0	37840609	52.3409	0	52.3409	0	0.0000	NA		36684290
(C)	Non Promoter - Non Public															NA		
(C1)	Shares underlying DRs						NA									NA		
(C2)	Shares held by Employee Trusts															NA		
	Total	28619	72296375	0	0	72296375	100.0000	72296375	0	72296375	100.0000	0	100.0000	0				71140056

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For HSIL LIMITED

COMPANY SECRETARY

HSIL LTD

Table I - Statement Showing Shareholding pattern of the Promoter and Promoter Group as on 12/09/2019

Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX) No of Voting Rights: Class x	Class y	Total	Total as a % of Total voting rights	No. of shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII): No. (a)	As a % of total shares held (b)	Number of shares pledged or otherwise encumbered (XIII): No. (a)	As a % of total shares held (b)	Number of equity shares held in dematerialized form (XIV)
(I) Indian																		
(a) Individuals/Hindu undivided Family		4	5747719	0	0	5747719	7.9502	5747719	0	5747719	7.9502	0	7.9502	0	0.0000	0	0.0000	5747719
HAJINDRA KUMAR SOMANY	AHPSG2742J	1	2620114	0	0	2620114	3.6241	2620114	0	2620114	3.6241	0	3.6241	0	0.0000	0	0.0000	2620114
SANDIP SOMANY	AHPSG2720N	1	1914664	0	0	1914664	2.6484	1914664	0	1914664	2.6484	0	2.6484	0	0.0000	0	0.0000	1914664
RAJENDRA KUMAR SOMANY	AADFM0993C	1	913120	0	0	913120	1.2630	913120	0	913120	1.2630	0	1.2630	0	0.0000	0	0.0000	913120
DAYA SOMANY	ALMPS4690R	1	146913	0	0	146913	0.2032	146913	0	146913	0.2032	0	0.2032	0	0.0000	0	0.0000	146913
SUMITA SOMANY	ALMPS0475L	1	76665	0	0	76665	0.1060	76665	0	76665	0.1060	0	0.1060	0	0.0000	0	0.0000	76665
SHASHVAT SOMANY	ENCPS4869E	1	76244	0	0	76244	0.1055	76244	0	76244	0.1055	0	0.1055	0	0.0000	0	0.0000	76244
(b) Central Government/State Government(s)																		
(c) Financial Institutions/Banks																		
(d) Any Other (specify)																		
Bodies Corporate		3	28708067	0	0	28708067	39.7088	28708067	0	28708067	39.7088	0	39.7088	0	0.0000	0	0.0000	28708067
PACO EXPORTS LIMITED	AABCPT1938	1	21058067	0	0	21058067	29.1274	21058067	0	21058067	29.1274	0	29.1274	0	0.0000	0	0.0000	21058067
SOMA INVESTMENTS LTD	AAACS0246E	1	4000000	0	0	4000000	5.5328	4000000	0	4000000	5.5328	0	5.5328	0	0.0000	0	0.0000	4000000
NEW DELHI INDUSTRIAL PROMOTORS AND INVESTORS LTD	AAACA0002L	1	3650000	0	0	3650000	5.0487	3650000	0	3650000	5.0487	0	5.0487	0	0.0000	0	0.0000	3650000
Sub Total		6	34455786	0	0	34455786	47.6591	34455786	0	34455786	47.6591	0	47.6591	0	0.0000	0	0.0000	34455786
(2) Foreign																		
(a) Individuals (Non-Resident Individuals/Foreign Individuals)																		
(b) Government																		
(c) Institutions																		
(d) Foreign Portfolio Investor																		
(e) Any Other (specify)																		
Sub Total		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		6	34455786	0	0	34455786	47.6591	34455786	0	34455786	47.6591	0	47.6591	0	0.0000	0	0.0000	34455786

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For HSIL LIMITED

COMPANY SECRETARY

MESHWARI DATAMATICS PVT. LTD. KOLKATA

HSIL LTD.

Table III - Statement Showing shareholding pattern of the Public shareholder as on 10/08/2016

Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX) No of Voting Rights: Class x	Class y	Total	Total as a % of Total Voting rights	No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII) No. (a)	As a % of total shares held (b)	Number of shares pledged or otherwise encumbered (XIII) No (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	Number of equity shares held in dematerialized form (XIV)
(1) Institutions																		
(a) Mutual Funds / UTI		39	16156556	0	0	16156556	22.3477	16156556	0	16156556	22.3477	0	22.3477	0	0.0000	NA		16156556
RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE CAPITAL BUILDER FUND - SR A	AAATR0090B	5	6396218	0	0	6396218	8.8472	6396218	0	6396218	8.8472	0	8.8472	0	0.0000	NA		6396218
SUNDARAM MUTUAL FUND A/C SUNDARAM INFRASTRUCTURE ADVANTAGE FUND	AAAT5255AF	14	4024062	0	0	4024062	5.5661	4024062	0	4024062	5.5661	0	5.5661	0	0.0000	NA		4024062
HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	AAATH1605A	3	2461944	0	0	2461944	3.4053	2461944	0	2461944	3.4053	0	3.4053	0	0.0000	NA		2461944
BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE EMERGING LEADE	AAATB0103C	6	1368000	0	0	1368000	1.8922	1368000	0	1368000	1.8922	0	1.8922	0	0.0000	NA		1368000
UTI - CAPITAL PROTECTION ORIENTED SCHEME - SERIES V II (1135 DAYS)	AAATU1088L	3	1129479	0	0	1129479	1.5623	1129479	0	1129479	1.5623	0	1.5623	0	0.0000	NA		1129479
(2) Venture Capital Funds		1	211291	0	0	211291	0.2923	211291	0	211291	0.2923	0	0.2923	0	0.0000	NA		211291
(3) Alternate Investment Funds																		
(b) Foreign Venture Capital Investors		44	3881086	0	0	3881086	5.3683	3881086	0	3881086	5.3683	0	5.3683	0	0.0000	NA		3881086
(c) Foreign Portfolio Investors																		
ONTARIO PENSION BOARD MONDRIAN INVESTMENT PARTNERS LIMITED	AABCO1623B	1	1021732	0	0	1021732	1.4133	1021732	0	1021732	1.4133	0	1.4133	0	0.0000	NA		1021732
(d) Financial Institutions / Banks		11	179428	0	0	179428	0.2482	179428	0	179428	0.2482	0	0.2482	0	0.0000	NA		103584
(e) Insurance Companies		1	500	0	0	500	0.0007	500	0	500	0.0007	0	[illegible]	0	0.0000	NA		0
(f) Provident Funds / Pension Funds																		
(h) Any Other (specify)																		
Foreign Institutional Investors		20	3337667	0	0	3337667	4.6156	3337667	0	3337667	4.6156	0	4.6156	0	0.0000	NA		3337667
MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND L.P.	AATFM8898C	1	2124450	0	0	2124450	2.9385	2124450	0	2124450	2.9385	0	2.9385	0	0.0000	NA		2124450
KOTAK MAHINDRA (UK) LTD A/C INDIA MIDCAP (MAURITIUS) LTD	AADCK0884	1	540000	0	0	540000	[illegible]	540000	0	540000	[illegible]	0	[illegible]	0	[illegible]	NA		540000

MAHESHWARI DATAMATICS PVT. LTD. KOLKATA

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For HSIL LIMITED

COMPANY SECRETARY

HSIL LTD

Table III - Statement Showing shareholding pattern of the Public shareholder As on 30/09/2016

Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX) No of Voting Rights: Class x	Class y	Total	Total as a % of Total Voting rights	No. of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII): No. (a)	As a % of total shares held (b)	Number of shares pledged or otherwise encumbered (XIII): No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	Number of equity shares held in dematerialized form (XIV)
Sub Total		110	23766526	0	0	23766526	32.8737	23766526	0	23766526	32.8737	0	32.8737	0	0.0000	NA		23750164
(2) Central Government / State Government(s) / President of India																		
(3) Non-institutions																		
(a) Individuals-																		
i. Individual shareholders holding nominal share capital upto Rs 2 lakhs		24760	9589619	0	0	9589619	13.2643	9589619	0	9589619	13.2643	0	13.2643	0	0.0000	NA		8471366
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakhs		2	118269	0	0	118269	0.1636	118269	0	118269	0.1636	0	0.1636	0	0.0000	NA		118269
(b) NBFCs registered with RBI		5	319278	0	0	319278	0.4416	319278	0	319278	0.4416	0	0.4416	0	0.0000	NA		319278
(c) Employee Trusts																		
(d) Overseas Depositories (holding DRs) (balancing figure)																		
(e) Any Other (specify)																		
Bodies Corporate		467	2734734	0	0	2734734	3.7827	2734734	0	2734734	3.7827	0	3.7827	0	0.0000	NA		2723871
KAERING CAPITAL INDIA EVOLVING FUND	AAATF3215E	1	750000	0	0	750000	1.0374	750000	0	750000	1.0374	0	1.0374	0	0.0000	NA		750000
AMBIT CORPORATE FINANCE PRIVATE LIMITED	AABFA0204C	1	748108	0	0	748108	1.0348	748108	0	748108	1.0348	0	1.0348	0	0.0000	NA		748108
Clearing Member		321	414767	0	0	414767	0.5737	414767	0	414767	0.5737	0	0.5737	0	0.0000	NA		414767
Non Resident Individual		941	894394	0	0	894394	1.2371	894394	0	894394	1.2371	0	1.2371	0	0.0000	NA		893431
Trusts		4	3000	0	0	3000	0.0041	3000	0	3000	0.0041	0	0.0041	0	0.0000	NA		3000
Sub Total		2550	11074281	0	0	11074281	15.4572	11074281	0	11074281	15.4572	0	15.4572	0	0.0000	NA		12534108
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		26610	37840806	0	0	37840806	52.3409	37840806	0	37840806	52.3409	0	52.3409	0	0.0000	NA		36284272

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For HSIL LIMITED

COMPANY SECRETARY

HSIL LTD

Table IV - Statement Showing shareholding pattern of the Non Promoter - Non Public shareholder as on 10/08/2016

	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX) No of Voting Rights			Total as a % of Total Voting rights	No of shares Underlying outstanding convertible securities (including Warrants) (X)	Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
									Class x	Class y	Total				No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
(1)	Custodian / DR Holder																		
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)																		
	Total Non Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)		0	0	0	0	0	0.0000	0	0	0	0.0000	0	0.0000	0	0.0000	NA	NA	0

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For HSIL LIMITED

COMPANY SECRETARY

HSIL LTD
Shareholding Summary as on 10/08/2016

Form	No of Records	No of Shares
PHYSICAL	2357	1156319
NSDL	16817	67540232
CDSL	7445	3599844
TOTAL	26619	72296395

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For HSIL LIMITED

COMPANY SECRETARY

HINDWARE HOME RETAIL PRIVATE LIMITED

PRE-SHAREHOLDING PATTERN AS ON 10.08.2016

Equity Shares				
Sr. No.	Name of Shareholder	No. of Shares	Face Value of shares(Rs)	% of Shareholding
1.	HSIL Limited	31999997	10	100%
2.	Mr. Niranjan Kumar Goenka*	1	10	
3.	Mr. G.L. Sultania*	1	10	
4.	Mr. Radhe Shyam Sharma*	1	10	
	Total	32000000		100%

*Nominee of HSIL Limited

Non Cumulative Redeemable Preference Shares				
Sr. No.	Name of the Shareholder	No. of Shares	Face Value of Shares(Rs)	% of Shareholding
1.	HSIL Limited	8990000	100	100%

POST-SHAREHOLDING PATTERN AS ON 10.08.2016

Equity Shares				
Sr. No.	Name of Shareholder	No. of Shares	Face Value of shares(Rs)	% of Shareholding
1.	HSIL Limited	63997	10	100%
2.	Mr. Niranjan Kumar Goenka*	1	10	
3.	Mr. G.L. Sultania*	1	10	
4.	Mr. Radhe Shyam Sharma*	1	10	
	Total	64000		100%

*Nominee of HSIL Limited

Non Cumulative Redeemable Preference Shares				
Sr. No.	Name of the Shareholder	No. of Shares	Face Value of Shares(Rs)	% of Shareholding
1.	HSIL Limited	179800	100	100%

For Hindware Home Retail Private Limited

Komal Sinha

Company Secretary

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(Registered Office)
2, Red Cross Place, Kolkata - 700 001

Hindware Home Retail Private Limited
Unit No. 301, 302, 3rd Floor, Park Centra
Sector-30, Gurgaon-122001
Email : evokcare@hindware.co.in
CIN - U51109WB2005PTC106307
tel. +91 124 4779200-201
fax +91 124 4292898-99

hindware

Annexure VII

The financial details and capital evolution of the transferee for the previous 3 years as per the audited statement of Accounts

Name : HSIL Limited

Rs. in lacs

	As per last Audited Financial year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2015-16	2014-15	2013-14
Equity Paid up Capital	1,445.97	1,445.97	1,320.97
Reserves and surplus *	118,036.45	109,855.90	78,559.32
Business Reconstruction Reserve	30,623.91	32,267.37	32,267.37
Carry forward losses	-	-	-
Net Worth**	109,336.62	101,156.07	69,734.49
Miscellaneous Expenditure	-	-	-
Secured Loans	40,608.87	56,062.56	95,803.48
Unsecured Loans	19,806.35	19,079.54	14,039.31
Fixed Assets ***	155,629.37	159,307.97	160,654.05
Income from Operations(Net)	194,429.66	185,701.68	174,647.91
Total Income (Net)	194,815.38	186,063.32	175,021.51
Total Expenditure ****	176,318.76	170,838.68	165,269.70
Exceptional item	-	-	-
Profit before Tax	18,496.62	15,224.64	9,751.81
Profit after Tax	11,670.32	10,414.97	5,619.97
Cash profit (excluding deferred tax expense)	22,798.95	21,473.60	16,072.48
EPS (Rs.)	16.14	15.70	8.51
Book value (Rs.)	207.63	198.58	169.80

* Includes Rs.10000 lacs transferred from Business Reconstruction Reserve which cannot be used for issue of bonus shares and payment of dividend.

** Net worth as defined under section 2(57) of the Companies Act, 2013.

*** Fixed Assets includes CWIP

**** Total Expenditure includes depreciation and finance costs.

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For HSIL LIMITED

(D.C. Sultania)
Director

For HSIL LIMITED

COMPANY SECRETARY

HSIL Limited
(An ISO 9001 14001 OHSAS 18001 Certified Company)
CIN : L51433WB1960PLC024539

Registered Office :
2, Red Cross Place,
Kolkata, West Bengal - 700 001 India
T +91-33-2248 7406, 2248 7407, Fax : +91-33-2248 7045

Corporate office :
301-302, IIIrd Floor, Park Centra, Sector 30, NH 8, Gurgaon - 122 001 India.
T +91-124-477 9200, Fax : +91-124-429 2898 / 99

www.hindwarehomes.com

HSIL

HSIL 55 YEARS OF LEADERSHIP

The financial detail and capital evolution of the transferor for the previous 3 years as per the audited atatement of Accounts:

Name of the Company : Hindware Home Retail Private Limited

Rs. In lacs

	As per last Audited Financial year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2015-16	2014-15	2013-14
Equity Paid up Capital	3,200.00	3,200.00	2,200.00
Preference Paid up Capital	8,990.00	6,290.00	6,290.00
Reserves and Surplus	(10,191.25)	(8,143.63)	(6,378.69)
Net worth *	1,998.75	1,346.37	2,111.31
Secured Loans	1,956.36	2,687.69	3,296.11
Unsecured Loans	450.21	606.02	-
Fixed Assets	1,868.44	2,464.27	2,826.25
Income from operations	9,764.25	10,382.77	9,360.63
Total Income	9,771.71	10,386.90	9,364.68
Total Expenditure **	11,819.32	12,130.37	11,389.02
Profit before tax	(2,047.61)	(1,743.47)	(2,024.33)
Profit after tax	(2,047.61)	(1,743.47)	(2,024.33)
Cash Profit	(1,523.45)	(1,174.67)	(1,595.33)
EPS (Rs.)	(6.40)	(6.04)	(9.20)
Book Value (Rs.)	(21.85)	(15.45)	(18.99)

* Net worth as defined under section 2(57) of the Companies Act, 2013.

** Total Expenditure includes depreciation and finance costs.

For Hindware Home Retail Private Limited

Director.

Annexure – VIII

hindware

NEAPS/ BSE ONLINE

11th July, 2016

The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
1st Floor, New Trading Ring
Rotunda Building
Mumbai – 400 001

Listing Department
National Stock Exchange of India Limited
Plot No. C/1, Block-G
Exchange Plaza, 5th Floor,
Bandra Kurla Complex, Bandra (E),
Mumbai 400 051

Dear Sirs,

Sub: Compliance Report on Corporate Governance for the quarter ended 30th June, 2016

Please find enclosed Compliance Report on Corporate Governance for the quarter ended 30th June, 2016 as per the format prescribed under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges.

For HSIL LIMITED

(Payal M Puri)
Company Secretary

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

Encl: as above.

For HSIL LIMITED
COMPANY SECRETARY

HSIL Limited
Corporate Office: 301-302, IIIrd Floor Park Centra, Sector-30, NH-8, Gurgaon, Haryana - 122 001. T +91-124-4779200, F +91-124-4392898/99
Registered Office: 2, Red Cross Place, Kolkata, West Bengal - 700 001. T +91-33-22487406/07, F +91-33-22487045
marketing@hindware.co.in | www.hindwarehomes.com | CIN No. - L51433WB1960PLC024539

India's most awarded & certified bathroom products company
HSIL 56 YEARS OF LEADERSHIP

ANNEXURE-I

Format to be submitted by listed entity on quarterly basis

1. Name of Listed Entity – HSIL Limited
2. Quarter ending – 30th June, 2016

I. Composition of Board of Directors

Title (Mr / Ms)	Name of the Director	PAN[5] & DIN	Category (Chairperson/ Executive/Non-Executive/independent/Nominee) [6]	Date of Appointment in the current term /cessation	Tenure*	No of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)
Mr	Rajendra Kumar Somany	AIYPS6274J / 00053557	Chairman/ Executive Director	09/01/2015	-	1	-	-
Mr	Sandip Somany	AIYPS6270N / 00053597	Executive Director	01/12/2013	-	2	-	-
Ms.	Sumita Somany	ALMPS0475L/ 00133612	Non-Executive Director	29/05/2014	-	1	-	-
Mr.	Ashok Jaipuria	AAAPJ4737B/ 00214707	Independent Director	27/09/2014	11 yr 11 mnths (Independent Director since 24/07/2004)	3	Audit – 1 Stakeholder- 1	-
Mr	Vijay Kumar Bhandari	AAPPB5117J/ 00052716	Independent Director	27/09/2014	11 yrs 11 mnths (Independent Director since 24/07/2004)	4	Audit – 3 Stakeholder - 2	Audit – 4
Mr.	Girdhari Lal Sultania	AOTPS8376L/ 00060931	Non-Executive Director	27/09/2014	-	3	Audit – 1 Stakeholder- 2	-
Mr.	N.G. Khaitan	AFLPK3827K/ 00020588	Independent Director	27/09/2014	19 yrs 9 mnths (Independent Director since 27/09/1996)	7	Audit- 5 Stakeholder- 2	Audit- 1 Stakeholder- 1
Mr	Rainer S Simon	N.A./ 03543040	Independent Director	17/12/2014	5 yrs 1 mnth(Independem Director since 18/05/2011)	1	-	-
Mr.	Salil Bhandari	AAAPB5902A/ 00017566	Independent Director	27/09/2014	4 yrs 1 mnth(Independent Director since 29/05/2012)	1	Audit – 2 Stakeholder - 2	-

$PAN number of any director would not be displayed on the website of Stock Exchange
&Category of directors means executive/non-executive/independent/Nominee. if a director fits into more than one category write all categories separating them with hyphen
* to be filled only for Independent-Director. Tenure would mean total period from which Independent director is serving on Board of directors of the listed entity in continuity without any cooling off period.

II. Composition of Committees

Name of Committee	*Name of Committee members*	*Category (Chairperson/Executive/Non-Executive/independent/Nominee)$*
1. Audit Committee	Mr. V. K. Bhandari Mr. N. G. Khaitan Mr. Salil Bhandari Mr. Ashok Jaipuria	Chairperson/Independent Director Independent Director Independent Director Independent Director
2. Nomination & Remuneration Committee	Mr. Salil Bhandari Mr. Ashok Jaipuria Mr. V. K. Bhandari Ms. Sumita Somany	Chairperson/ Independent Director Independent Director Independent Director Non- Executive Director
3. Risk Management Committee (if applicable)		
4. Stakeholders Relationship (Shareholder's/Investor's Grievance) Committee	Mr. N. G. Khaitan Mr. G. L. Sultania Mr. Salil Bhandari Mr. V. K. Bhandari	Chairperson/Independent Director Non-Executive Director Independent Director Independent Director

&Category of directors means executive/non-executive/independent/Nominee. if a director fits into more than one category write all categories separating them with hyphen

III. Meeting of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	*Date(s) of Meeting (if any) in the relevant quarter*	*Maximum gap between any two consecutive (in number of days)*
02.02.2016	23.05.2016	120 days Gap between 02.02.2016 & 23.05.2016 is 110 days.

IV. *Meeting of the Committees*

Date(s) of meeting of the committee in the relevant quarter	*Whether requirement of Quorum met (details)*	*Date(s) of meeting of the committee in the previous quarter*	*Maximum gap between any two consecutive meetings in number of days**
23.05.2016 (Audit Committee)	3 members were present.	02.02.2016	120 days Gap between 02.02.2016 & 23.05.2016 is 110 days.
23.05.2016 [Stakeholders Relationship (Shareholder's/Investor's Grievance) Committee]	4 members were present.	02.02.2016	-
23.05.2016 (Nomination & Remuneration Committee)	3 members were present.	02.02.2016	-

* This information has to be mandatorily be given for audit committee, for rest of the committees giving this information is optional

V. Related Party Transactions	
Subject	*Compliance status (Yes/No/NA)*refer note below
Whether prior approval of audit committee obtained	YES
Whether shareholder approval obtained for material RPT	N.A
Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	YES

Note

1. In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A.. For example, if the Board has been composed in accordance with the requirements of Listing Regulations, "Yes" may be indicated. Similarly, in case the Listed Entity has no related party transactions, the words "N.A." may be indicated.
2. If status is "No" details of non-compliance may be given here.

VI. Affirmations

1. The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
2. The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015
   a. Audit Committee
   b. Nomination & remuneration committee
   c. Stakeholders relationship committee
   d. Risk management committee (applicable to the top 100 listed entities)
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
4. The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.
5. This report and/or the report submitted in the previous quarter has been placed before Board of Directors. Any comments/observations/advice of Board of Directors may be mentioned here:

Name & Designation

Payal M. Puri
Company Secretary

Note:

Information at Table I and II above need to be necessarily given in 1st quarter of each financial year. However if there is no change of information in subsequent quarter(s) of that financial year, this information may not be given by Listed entity and instead a statement "same as previous quarter" may be given.

Annexure - IX

hindware

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

BSE Scrip Code: 500187

Kind Attention: Department of Corporate Services / Listing Compliance Department

Sub: Application under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Composite Scheme of Arrangement between Hindware Home Retail Private Limited ("Transferor") and HSIL Limited ("Transferee") and their respective Shareholders and Creditors

In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per SEBI circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Compliance Status (Yes / No)
1.	Listed companies shall choose one of the stock exchanges having nation-wide trading **terminals as the** designated stock exchange for the purpose of coordinating with SEBI.	Yes, National Stock Exchange of India Limited has been appointed as designated
	Compliance as per Para I (A) (3) of Annexure I to the Circular	
2.	Documents to be submitted:	
2.a	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	Yes (Refer annexure II)
2.b	Valuation Report as per Para 1(A)(4) of Annexure-I of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Yes (Refer annexure III)
2.c	Report from the Audit Committee recommending the Draft Scheme	Yes (Refer annexure IV)
2.d	Fairness opinion by merchant banker	Yes (Refer annexure V)
2.e	Pre and post amalgamation shareholding pattern of unlisted company	Yes (Refer annexure VI)
2.f	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company;	Yes (Refer annexure VII)

For HSIL LIMITED

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COMPANY SECRETARY

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

marketing@hindware.co.in | www.hindwarehomes.com | CIN No. - L51433WB1960PLC024539

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2.g	Compliance with requirements of Regulation 17 to 27 of Listing Regulations	Yes (Refer annexure VIII)
2.h	Complaints Report as per Annexure III of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	To be submitted later on
	Compliance as per Para I (A) (1) of Annexure I to the Circular	
3	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (transferee entity) to the holders of securities of a listed entity (transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956 or under Section 230-234 of the Companies Act, 2013	NA
4.	At least 25% of the post scheme paid up share capital of the transferee entity shall comprise of shares allotted to the public holders in the transferor entity.	NA
5.	The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	NA (The transferee entity will not issue/reissue any shares, not covered under the Draft scheme.)
6.	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (4) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.	NA (There are no outstanding warrants/ instruments/ agreements as on date, which allows the compulsory conversion into equity shares.)
7.	The shares of the transferee entity issued in lieu of the locked-in shares of the transferor entity are subjected to the lock-in for the remaining period.	NA

For HSIL Limited

Payal M Puri
(Company Secretary)

Place: Gurgaon
Date: 17th August, 2016

Annexure - X

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

T +91 124 462 8000
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To,
The Board of Directors,
HSIL Limited,
2, Red Cross Place,
Kolkata -700 001,
West Bengal.

Certificate of non –applicability of requirements prescribed in Para 1.A.9.(a) of Annexure I of SEBI Circular bearing number CIR/CFD/CMD/16/2015 dated 30 November 2015 in respect of the Proposed Composite Scheme of Arrangement

We, the statutory auditors of HSIL Limited (hereinafter referred to as the 'Company'), at your request, have examined the Proposed Composite Scheme of Arrangement between the Company and Hindware Home Retail Private Limited (a wholly owned subsidiary of the Company) prepared by the Board of Directors of the companies involved (hereinafter referred to as the 'Proposed Composite Scheme') for the purpose of certifying the accompanying undertaking in relation to non-applicability of requirements prescribed in sub-paragraph 9(a) of Paragraph 1 (A) of Annexure I ('Paragraph 9(a)') of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30 November 2015 (the 'SEBI Circular')' (the 'Undertaking'), stating the reasons thereof, duly stamped and initialled for identification purpose, which has been prepared by the Board of Directors of the Company.

Management's Responsibility

The preparation of the Undertaking is the responsibility of the management of the Company including maintenance of all accounting and other records supporting the contents of the Undertaking. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking that is free from material misstatement and for ensuring compliance with the applicable SEBI circular, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 1956 and/or the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is only to examine, based on the information and explanations provided to us by the management and report whether the Undertaking prepared by the management fairly states the reasons for non-applicability of paragraph 9(a) of the SEBI Circular. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

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For HSIL LIMITED

COMPANY SECRETARY

Conclusion

Based on our examination and according to the information and explanations given to us, we are of the opinion that the attached undertaking prepared by the management fairly states the reasons for non-applicability of the requirements stated in Paragraph 9(a) of the SEBI circular.

Restriction on Distribution and Use

This Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose without our prior written consent.

Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Lalit Kumar

per **Lalit Kumar**
Partner
Membership Number: 095256

Place: Gurgaon
Date: 10 August 2016

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Undertaking in terms of paragraph 1.A.9(a) of the Securities Exchange Board of India (SEBI) Circular No. CIR/CFD/CMD/16/2015 dated 30 November, 2015 (the "SEBI Circular")

Pursuant to the paragraph 1.A.9(a) [paragraph 9(a)] of SEBI circular, we hereby confirm and provide the undertaking that the requirements of paragraph 9(a) are not applicable to the Proposed Composite Scheme of Arrangement ("Proposed Composite Scheme") for the transfer of Demerged Undertaking of Hindustan Home Retails Private Limited [wholly own subsidiary of HSIL Limited (the 'Company')]. The reasons for non-applicability of the requirements of paragraph 9(a) are:

i) Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group relevant to HSIL Limited

Reason: The Proposed Composite Scheme is not covered in this case since the transactions included in the Proposed Composite Scheme does not involve issue of any shares of the Company to Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter Group of the listed Company.

i) Where the Scheme of Arrangement involves the listed company and the other entity involving Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter Group.

Reason: The Proposed Composite Scheme is not covered in this case since the Scheme of Arrangement is with wholly owned subsidiary and does not involve any of its Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter Group.

ii) Where the parent listed company has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in past to any of the shareholders of the subsidiary who may be Promoter/Promoter Group, Related Parties of Promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter Group of the parent listed company, and if the subsidiary is being merged with the parent listed company under the Scheme.

Reason: The Proposed Composite Scheme is not covered in this case since the equity share of HHRPL were acquired by the Company from persons who were not the promoter/promoter Group, Related Parties of promoter/Promoter Group, Associates of Promoter/Promoter Group, Subsidiary/(s) of Promoter Group of the Company.

For and on behalf HSIL Limited

Director

Date: 10th August 2016

Place: Gurgaon

HSIL LIMITED GURGAON

SIGNED FOR IDENTIFICATION PURPOSE ONLY

HSIL Limited

Corporate Office: 301-302, 8th Floor Park Centra, Sector-30, NH-8, Gurgaon, Haryana - 122 001, T +91-124-4779200, F +91-124-4292895/99
Registered Office: 2, Red Cross Place, Kolkata, West Bengal - 700 001, T +91-33-22487406/07, F +91-33-22487045

CIN No. - L51433WB1960PLC024539

HSIL 56 YEARS OF LEADERSHIP

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ANNEXURE XI

Brief particulars of the Transferee and Transferor Company

Particulars	Transferee Company	Transferor Company
Name of the company	HSIL Limited	Hindware Home Retail Private Limited
Date of Incorporation & details of name changes, if any	The Company was originally incorporated on the 8th February, 1960 under the name Hindusthan Twyfords Limited. Subsequently the name was changed to Hindustan Sanitaryware & Industries Limited with effect from 3rd May, 1969. The name Hindustan Sanitaryware & Industries Limited was further changed to HSIL LIMITED on 24th March, 2009.	The Company was incorporated on 24 November, 2005 as Samridhi Suppliers Private Limited and, its name was changed to Hindware Home Retail Private Limited on November 28, 2006.
Registered Office	2, Red Cross Place, Kolkata – 700001	2, Red Cross Place, Kolkata - 700001
Brief particulars of the scheme	Demerger of the Demerged Undertaking of Hindware Home Retail Private Limited (Transferor Company) and vesting of the same with HSIL Limited (Transferee Company), on a going concern basis and consequent reorganization of the capital of the Transferor. The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.	
Rationale for the scheme	The rationale for the demerger of the Demerged Undertaking into the Transferee is, *inter alia*, as follows: - ensuring adequate financial support, provision of required managerial capabilities of the Transferee for the growth of retail business undertaking; - consolidating retail business undertaking with the Transferee to achieve synergies in operations and optimal utilisation of resources, thereby reducing operating costs; - reducing the *inter se* transactions between the Transferee and the Transferor , thereby reducing administrative costs and	

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For HSIL LIMITED

COMPANY SECRETARY

	achieving efficiencies; and - enhancing the shareholders' value of the Transferee and Transferor.	
Date of resolution passed by the Board of Director of the company approving the scheme	10th August 2016	10th August 2016
Date of meeting of the Audit Committee in which the draft scheme has been approved	10th August 2016	10th August 2016
Appointed Date	1st April, 2015	1st April, 2015
Name of Exchanges where securities of the company are listed	BSE Limited and National Stock Exchange of India Limited	N.A
Nature of Business	The Transferee Company is inter alia engaged in the business of manufacturing, preparing, importing, exporting, buying, selling and otherwise dealing in all kinds of sanitaryware, faucets, other lifestyle products, consumer products, glass and plastic packaging material.	The Transferor is primarily has two business undertakings, namely, retail business and institutional business. Under the retail business undertaking, the Transferor is engaged in buying, selling, trading, distributing and dealing inter alia in furniture products, home furnishing, household goods, and consumer durable items through its chain of retail stores; and under the institutional business undertaking, the Transferor is engaged in providing, assisting, or arranging contracting, construction, furnishing, renovation, repair, remodeling and furnishing of offices and houses, etc.

For HSIL LIMITED

COMPANY SECRETARY

Capital before the scheme	As on Appointed date: Rs. 1445.97 Lacs As on Date of approval of Board :Rs. 1445.97 Lacs	As on Appointed date: Rs. 9490.00 Lacs As on Date of approval of Board: Rs. 12190.00 lacs
No. of shares to be issued	NIL	
Cancellation of shares on account of cross holding, if any	(i) No shares are to be cancelled in HSIL Limited. In case of Hindware Home Retail Private Limited, the equity share capital, non-cumulative preference share capital and securities premium shall be reorganized and reduced in accordance with Para 3.3 and 3.4 of the Scheme	
Capital after the scheme	Share Capital Rs. 1445.97 Lacs (as on appointed date)	Share Capital Rs. 189.80Lacs (as on appointed date)
Net Worth Pre Post	(Rs. in crores) 1011.56 1011.56	(Rs. in crores) 13.46 1.34
Valuation by independent Chartered Accountant - Name of the valuer/valuer firm and Regn no.	N.A.	AARA & Company Chartered Accountants Firm's Registration No. 023447N
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	N.A.	Discounted Free Cash Flow Method Value per share : Not Applicable Share Entitlement Ratio certificate attached.
Fair value per shares	N.A.	NA
Exchange ratio	NA	
Name of Merchant Banker giving fairness opinion	Corporate Professional Capital Private Limited	

For HSIL LIMITED

COMPANY SECRETARY

Shareholding pattern (HSIL Limited) (the Transferee)	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	34455786	47.66	34455786	47.66
Public	37840609	52.34	37840609	52.34
Custodian	-	-	-	-
TOTAL	72296395	100	72296395	100
Shareholding pattern (HHRPL) (the Transferor)	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	32000000(Equity) 8990000(preference)	100 100	64000 (Equity) 179800(Preference)	100 100
Public	-	-	-	-
Custodian	-	-	-	-
TOTAL	32000000(Equity) 8990000(preference)	100 100	64000 (Equity) 179800(Preference)	100 100
No of shareholders				
Names of the Promoters	M/s Paco Exports Limited M/s Soma Investments Ltd M/s New Delhi Industrial Promotors And Investors Ltd Mr. R.K.Somany Mr. Sandip Somany Ms. Sumita Somany Ms. Divya Somany M/s Murlidhar Rajendra Somany (Represented by Mr. Rajendra Kumar Somany and others as partner) Mr. Shashvat Somany		M/s HSIL Limited	

For HSIL LIMITED

COMPANY SECRETARY

Names of the Board of Directors	Mr. R.K.Somany Mr. Sandip Somany Mrs. Sumita Somany Mr. Ashok Jaipuria Mr. G.L.Sultania Mr. V.K.Bhandari Mr. Salil Bhandari Mr. N.G.Khaitan Dr. Rainer S. Simon	Mrs. Sumita Somany Mr. R.B.Kabra Mr. N.K.Goenka Mr. Sandeep Parwal Mr. Anshuman Mishra
Details regarding change in management control if any	NA	

For HSIL LIMITED

COMPANY SECRETARY

AARA & COMPANY
CHARTERED ACCOUNTANTS

Delhi Office # M -17, 4th Floor, Greater Kailash, Part-II, Delhi-110048
Mailing/Admin Office # C-175, Surya Nagar, Ghaziabad, NCR-201011
Regd. Add- A-137, Pocket – B, Group IV, Dilshad garden- 110095

TO WHOMSOEVER IT CONCERN

The Company 'Hindware Home Retail Private Limited' (hereinafter referred as "**HHRPL**" or "**Transferor**") has proposed to demerge its retail business undertaking (hereinafter referred as "**Demerged Undertaking**") into its holding company HSIL Limited (hereinafter referred as "**HSIL**" or "**Transferee**") on going concern basis and consequent reduction and reorganization of the share capital of HHRPL, through a Composite Scheme of arrangement ("**Scheme**") under the provisions of Section 391 to 394 of Companies Act, 1956 read with Section 100 to 104 of Companies Act, 1956 and other applicable Sections of the Companies Act, 2013 (to the extent notified).

BRIEF ABOUT THE COMPANIES

1. Hindware Home Retail Private Limited ("HHRPL" or "Transferor")

Hindware Home Retail Private Limited (hereinafter referred to as "**HHRPL**" or the "**Transferor**") is a private limited company incorporated and existing under the provisions of the Companies Act, 1956 (now Companies Act, 2013, to the extent notified and made applicable), with its registered office at 2, Red Cross Place, Kolkata - 700001. HHRPL was incorporated on November 24, 2005 in the State of West Bengal as Samridhi Suppliers Private Limited. Consequent to change of name of the Transferor to the present name Hindware Home Retail Private Limited, a fresh certificate of incorporation dated November 28, 2006 was issued by the Registrar of Companies, Kolkata (West Bengal) in favor of the Transferor. The Corporate Identity Number of the Transferor is U51109WB2005PTC106307. The Transferor is a wholly owned subsidiary of the Transferee.

2. HSIL Limited ("HSIL" or "Transferee")

HSIL Limited, (hereinafter referred to as "**HSIL**" or "the "**Transferee**") is a public limited company incorporated and existing under the provisions of the Companies Act, 1956 (now Companies Act, 2013, to the extent notified and made applicable), having its registered office at 2, Red Cross Place, Kolkata - 700001. The Transferee was incorporated on February 8, 1960 under the name Hindusthan Twyfords Limited. Subsequently, the name of the Transferee was changed to Hindustan Sanitaryware & Industries Limited with effect from May 3, 1969, and the Transferee obtained a fresh Certificate of Incorporation from the Registrar of Companies, Kolkata (West Bengal), to the said effect. The name Hindustan Sanitaryware & Industries Limited was further changed to the present name HSIL Limited and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Kolkata (West Bengal) on March 24, 2009 in favor of the Transferee. The Corporate Identity Number of the Transferee is L51433WB1960PLC024539. The Transferee is authorized to and is inter alia engaged in the business of manufacturing, preparing, importing, exporting, buying, selling and otherwise dealing in all kinds of sanitaryware, faucets, other lifestyle products, consumer products, glass and plastic packaging material. The equity shares of the Transferee are listed on the Bombay Stock Exchange Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**").

AARA & COMPANY Chartered Accountants FRN: 022447N New Delhi

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Regd. Add- A-137, Pocket – B, Group IV, Dilshad garden- 110095

SHARE ENTITLEMENT RATIO:-

As per the Draft Composite Scheme of Arrangement, no shares are proposed to be issued by HSIL as there will not be any change in the shareholding pattern, as HHRPL is a wholly owned subsidiary (WOS) of HSIL.

Extract of Reorganization and Reduction of Capital of HHRPL

1. Pursuant to the demerger, the issued, subscribed and paid-up equity share capital of the Transferor shall be reorganised by reducing the face value and paid up value of equity shares of Rs 10 (Rupees Ten) each of the Transferor to Re 0.20 (Paisa Twenty) each. Simultaneously, the equity share capital of the Transferor shall be reorganized and consolidated and as a result, every shareholder of the Transferor holding 50 (Fifty) equity shares of face value and paid up value of Re 0.20 (Paisa Twenty) each shall be issued 1 (One) equity share of face value and paid up value of Rs 10 (Rupees Ten) each.
2. Further, the issued, subscribed and non cumulative preference share capital of the Transferor shall be reorganised by reducing the face value and paid up value of preference shares of Rs 100 (Rupees Hundred) each of the Transferor to Re 2 (Rupees Two) each. Simultaneously, the noncumulative preference share capital of the Transferor shall be reorganized and consolidated and as a result, every shareholder of the Transferor holding 50 (fifty) preference shares of face value and paid up value of Re 2 (Rupees Two) each shall be issued 1 (One) preference share of face value and paid up value of Rs 100 (Rupees Hundred) each.
3. And, the securities premium shall stand reduced by an amount of Rs 20,58,00,000 (Rupees Twenty Crore Fifty Eight Lacs).
4. It is further clarified that any share capital of the Transferor issued and allotted post the Appointed Date and prior to the Record Date shall be reorganized and adjusted in pursuance to the demerger and the transfer and vesting of the Demerged Undertaking in the Transferee, in the manner as provided in Paragraph 1, 2 and 3 above
5. It is hereby clarified that pursuant to the reduction and reorganisation of capital of the Transferor in the manner as provided under Paragraph 1to 4, no fractional equity shares or non-cumulative preference shares shall be issued by the Transferor and all fractional entitlements shall be rounded off to the nearest higher integer.

We have further relied upon the division wise Balance Sheet of HHRPL as on 31st March 2015 as certified by the Management and provided to us.

The Extract of Management certified Pre & Post Demerger Balance Sheet of HHRPL as on appointed date i.e. 1st April 2015 is as under-

		All Amount in INR
	As on 1st April 2015	
Particulars	Pre Demerger	Post Demerger
Equity Share Capital	320,000,000	6,400,000
Preference Share Capital	629,000,000	12,580,000
Reserves & Surplus		
Securities Premium	210,000,000	4,200,000

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Surplus as per statement of profit and loss	(1,024,363,424)	(4,017,870)
Capital Reserve	-	(5,739,540)
Non- Current liabilities	19,977,089	329,731
Current liabilities	552,701,700	3,479,747
Total	**707,315,365**	**17,232,068**
Non-Current Assets	289,527,274	2,330,134
Current Assets	417,788,091	14,901,934
Total	**707,315,365**	**17,232,068**

For AARA & Company, Chartered Accountants

Rahul Bansal
Partner
M. NO: - 514855
FRN NO: - 023447N

AARA & COMPANY Chartered Accountants FRN: 023447N New Delhi

Place: New Delhi
Date: 09 August 2016

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Annexure - XII

N.C. AGGARWAL & CO.

CHARTERED ACCOUNTANTS

102, Harsha house, Karampura Commercial Complex,
New Delhi-110 015. Ph: (O) 25920555-556 (R) 25821561
E-Mail: nc.aggarwal@gmail.com, nc.a@rediffmail.com

TO WHOMSOEVER IT MAY CONCERN

The Board of Directors of **HSIL Limited** ("the Company" or "the transferee") at its meeting held on 10th August 2016 has approved the Composite Scheme of Arrangement under sections 391 to 394 read with sections 100-104 of the Companies Act, 1956 and/or applicable sections of the Companies Act, 2013 between Hindware Home Retails Private Limited ("the transferor") and the Company and their respective shareholders and creditors ("the Composite Scheme").

Based on the audited financial statements of the Company for financial year ended 31st March 2015 prepared in accordance with the generally accepted accounting principles in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Applicable Standards"), and information and documents produced before us and explanation furnished to us by the Company, this is to certify that the Net Worth of the Company as of close of hours on 31st March 2015 and opening hours of 1st April 2015, being the Appointed Date in the Composite Scheme (refer column A of table below), and, the Net Worth of the Company after taking the effect of the Composite Scheme under Applicable Standards (refer column B of table below) as of the aforesaid Appointed Date would be as below:

Amount (₹ in Lacs)

Particulars	Column A	Column B
Fixed Assets		
Tangible Assets	1,53,156.00	1,55,563.84
Intangible Assets	2,797.69	2,851.51
Capital Work-in Progress	3,354.28	3,354.28
Non-Current Investments	14,448.58	2,992.81
Long term Loans and Advances	2,787.14	3,183.50
Other-Non Current Assets	135.58	146.94
Non-Current Assets (A)	**1,76,679.27**	**1,68,092.87**
Inventories	43,571.44	47,123.21
Trade receivables	40,674.66	40,813.47
Cash And Bank Balance	2,396.46	2,496.05
Short term Loans And Advances	4,659.34	4,845.97
Other Current Assets	203.22	203.85
Current Assets (B)	**91,505.12**	**95,482.55**
Total Assets (C = A+B)	**2,68,184.39**	**2,63,575.42**

For HSIL LIMITED
COMPANY SECRETARY

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N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

Amount (₹ in Lacs)

Particulars	Column A	Column B
Long term Borrowing	35,711.04	35,854.89
Deferred tax Liabilities (Net)	10,449.86	10,449.86
Other Long Term Liabilities	1,798.99	1,798.99
Long Term Provisions	470.67	523.29
Non-Current Liabilities (D)	**48,430.56**	**48,627.03**
Short Term Borrowings	18,823.29	21,598.16
Trade Payables	12,850.89	14,238.24
Other Current Liabilities	40,573.67	41,847.71
Short term Provisions	3,936.74	3,938.67
Current Liabilities (E)	**76,184.59**	**81,622.78**
Total Liabilities (F=D+E)	**1,24,615.15**	**1,30,249.81**
Net Assets (G=C-F)	**1,43,569.24**	**1,33,325.61**
Less: Capital Reserves	120.80	120.80
Central Subsidy Reserve	25.00	25.00
Business Reconstruction Reserve	32,267.37	32,267.37
General Reserve (to the extent amount transferred from Business Reconstruction Reserve)	10,000.00	10,000.00
Total above (H) – ("Total Excluded Reserves")	42,413.17	42,413.17
Net Worth excluding Goodwill (I = G-H)	**1,01,156.07**	**90,912.44**
Add: Goodwill (J)	-	10,243.63
Net Worth after Goodwill (K=I+J)	**1,01,156.07**	**1,01,156.07**
Breakup of Net Worth above		
Share Capital	1,445.97	1,445.97
Reserves and Surplus (other than Total Excluded Reserves as stated above)	99,710.10	99,710.10

This Certificate is issued at the request of the Company pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for submission to the BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose.

For N. C. Aggarwal & Co.,
Chartered Accountants
Firm Registration No. 003273N

G. K. Aggarwal
(Partner)
M. No. 086622
Place: New Delhi
C. No.: NCP/2016-17/104
Dated: 10th August, 2016

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

B.O. 83-E, Model Town Hisar, Ph: Office: 01662-248757, Residence: 01662-247797

N.C. AGGARWAL & CO.
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E-Mail: nc.aggarwal@gmail.com, nc.a@rediffmail.com

TO WHOMSOEVER IT MAY CONCERN

The Board of Directors of **Hindware Home Retail Private Limited** ("the Company" or "the transferor") at its meeting held on 10th August 2016 has approved the Composite Scheme of Arrangement under sections 391 to 394 read with sections 100-104 of the Companies Act, 1956 and/or applicable sections of the Companies Act, 2013 between the Company and HSIL Limited ("the transferee") and their respective shareholders and creditors ("the Composite Scheme").

Based on the audited financial statements of the Company for financial year ended 31st March 2015 prepared in accordance with the generally accepted accounting principles in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Applicable Standards"), and information and documents produced before us and explanation furnished to us by the Company, this is to certify that the Net Worth of the Company as of close of hours on 31st March 2015 and opening hours of 1st April 2015, being the Appointed Date in the Composite Scheme (refer column A of table below), and, the Net Worth of the Company after taking the effect of the Composite Scheme under Applicable Standards (refer column B of table below) as of the aforesaid Appointed Date would be as below:

(Amount in ₹)

Particulars	Column A	Column B
Share Capital		
- Equity Share Capital	32,00,00,000	64,00,000
- Preference Share Capital	62,90,00,000	125,80,000
Securities Premium Account	21,00,00,000	42,00,000
Surplus/(Deficit) in the Statement of Profit and Loss	(1,02,43,63,424)	(40,17,870)
Capital Reserve	-	(57,39,540)
Indicative Net Worth	**13,46,36,576**	**1,34,22,590**

This Certificate is issued at the request of the Company pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for submission to the BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose.

For N. C. Aggarwal & Co.,
Chartered Accountants
Firm Registration No. 003273N

N.C. AGGARWAL & CO. NEW DELHI CHARTERED ACCOUNTANTS

G. K. Aggarwal
(Partner)
M. No. 086622
Place: New Delhi
C. No.: NCP/2016-17/103
Dated: 10th August, 2016

B.O. 83-E, Model Town Hisar. Ph: Office: 01662-248757, Residence: 01662-247797

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ANNEXURE XIII

Details of Capital evolution of the Transferee Company:

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
08.02.1960	10,000	10	Subscriber to Memorandum	10,000	Listed
16.08.1960	104,000	10	Allotted to Twyfords Limited, Collaborators	114,000	Listed
16.08.1960	100,900	10	Preferential allotment to Directors, their friends and associates	214,900	Listed
08.12.1960	40,000	10	Preferential allotment to Directors, their friends and associates	254,900	Listed
08.12.1960	145,100	10	IPO	400,000	Listed
	(765)	10	Out of 145100 Shares, 765 shares were forfeited	399,235	
01.03.1967	99,809	10	Bonus Issue 1:4	499,044	Listed
30.03.1970	239,542	10	Bonus Issue 48:100	738,586	Listed
25.02.1981	246,195	10	Bonus Issue 1:3	984,781	Listed
10.03.1984	67,500	10	Issued to the shareholders of erstwhile The Associated Glass Inds. Ltd. as per the scheme of amalgamation	1,052,281	Listed

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For HSIL LIMITED

COMPANY SECRETARY

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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HSIL 56 YEARS OF LEADERSHIP

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27.05.1988	526,141	10	Bonus Issue 1:2	1,578,422	Listed
01.12.1989	365,625	10	Issued to the shareholders of erstwhile Krishna Ceramics Ltd. as per the scheme of amalgamation	1,944,047	Listed
13.01.1994	1,543,816	45 (Rs. 35 as Premium)	Right-cum-public issue of PART-A converted into equity shares at premium	3,487,863	Listed
06.01.1995	1,525,198	96.53 (Rs. 86.53 as Premium)	Right-cum-public issue of PART-B converted into equity shares at premium	5,013,061	Listed
27.07.2000	600,000	79 (Rs. 69 as Premium)	Preferential allotment to Promoters at premium	5,613,061	Listed
28.01.2004	-	5	Split of equity shares from Rs. 10 to Rs. 5	11,226,122	Listed
18.01.2005	7,484,081	5	Bonus issue 2:3	18,710,203	Listed
09.12.2005	-	2	Split of equity shares from Rs. 5 to Rs. 2	46,775,508	Listed
24.07.2006	8,250,000	64.10 (Rs. 62.10 as Premium)	Shares allotted on 24th July, 2006 upon conversion of 33,00,000 FCDs allotted to HPC (Mauritius) Ltd into 82,50,000 equity shares of Rs. 2/- each	55,025,508	Listed
06.10.2010	11,020,887	136.10 (Rs. 134.10 as Premium)	Shares allotted under QIP Issue	66,046,395	Listed
16.03.2015	6,250,000	400 (Rs. 398 as Premium)	Shares allotted under QIP Issue	72,296,395	Listed

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For HSIL LIMITED

COMPANY SECRETARY

HSIL Limited
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Details of Capital evolution of the Transferor Company:

A) Equity

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
15.09.06	10,000	10	Subscriber to Memorandum	1,0000	Not Listed, Transferor Company incorporated as a Private Limited Company
14.05.07	1,990,000	10	Preferential Issue	2,000,000	
26.03.08	1,625,000	40 (Rs. 30 as Premium)	Preferential Issue	3,625,000	
31.03.09	2,600,000	40 (Rs. 30 as Premium)	Preferential Issue	6,225,000	
24.03.10	2,775,000	40 (Rs. 30 as Premium)	Preferential Issue	9,000,000	
31.03.11	13,000,000	10	Preferential Issue	22,000,000	
22.07.14	10,000,000	10	Right Issue	32,000,000	

B) Preference Share

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
31.03.12	2,000,000	100	Preferential Issue	2,000,000	Not Listed, Transferor Company incorporated as a Private Limited Company
30.03.13	2,290,000	100	Preferential Issue	4,290,000	
28.03.14	2,000,000	100	Preferential Issue	6,290,000	
30.06.15	8,00,000	100	Right Issue	7,090,000	
17.12.15	1,200,000	100	Right Issue	8,290,000	
23.03.16	7,00,000	100	Right Issue	8,990,000	

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For Hindware Home Retail Private Limited

Komal Bhatia

Company Secretary

hindware

ANNEXURE XIV

CONFIRMATION BY THE COMPANY

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Composite Scheme of Arrangement under Sections 391 to 394 read with Sections 100-104 of the Companies Act, 1956 and/or applicable Sections of the Companies Act, 2013 between Hindware Home Retail Private Limited ("Transferor") and HSIL Limited ("Transferee") and their respective Shareholders and Creditors.

In connection with the above application, we hereby confirm that:

a) The proposed scheme of amalgamation/ arrangement/merger/reconstruction/ reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956 / Companies Act, 2013, the rules, regulations and guidelines made under these Acts, and the provisions as explained in Regulation 11 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 or the requirements of BSE Limited.

b) In the explanatory statement to be forwarded by the company to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose:

   i) the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern and
   ii) the "fairness opinion" obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted company.
   iii) The Complaint report as per Annexure IX.
   iv) The observation letter issued by the stock exchange

For HSIL LIMITED

COMPANY SECRETARY

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c) The draft scheme of amalgamation/ arrangement together with all documents mentioned in Para I(A)(7)(a) of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, has been disseminated on company's website as per Website link given hereunder : www.hindwarehomes.com.

d) The company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.

e) The company shall obtain shareholders' approval by way of special resolution passed through postal ballot/ e-voting. Further, the company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it **(if applicable)**

f) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filled by the Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.

There will be no alteration in the Share Capital of the unlisted transferor company from the one given in the draft scheme of amalgamation/ arrangement.

Date: 17th August 2016

(Company Secretary)
Payal M Puri

Annexure - XV

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

T +91 124 462 8000
F +91 124 462 8001

To,
The Board of Directors,
HSIL Limited
2 Red Cross Place,
Kolkata-700 001,
West Bengal.

Report on Accounting Treatment in the Proposed Composite Scheme of Arrangement

We, the statutory auditors of HSIL Limited, (hereinafter referred to as the 'Company'), at your request, have examined the proposed accounting treatment specified in paragraphs 4.2 (b) of Part IV of the Proposed Composite Scheme of Arrangement between the Company and Hindware Home Retail Private Limited (a wholly owned subsidiary of the Company) prepared by the Board of Directors of the companies involved (hereinafter referred to as the 'Proposed Composite Scheme'), with reference to the compliance of the said accounting treatment with the Accounting Standards notified under section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rule, 2015 and other generally accepted accounting principles. Further, we, at your specific request, have also examined the accounting treatment specified in paragraph 4.2 (c) of Part IV of the Proposed Composite Scheme with reference to the compliance of the said accounting treatment with the Accounting Standards specified under the Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

Management's Responsibility

The responsibility for the preparation of the Proposed Composite Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards, as the case may be, as aforesaid, is that of the Board of Directors of the Companies involved. The Board of Directors of the companies involved are also responsible for ensuring compliance with applicable laws and regulations in relation to the preparation of the Proposed Composite Scheme and providing all the information to the Securities and Exchange Board of India and the relevant stock exchanges.

Auditor's Responsibility

Our responsibility is to examine and report whether the accounting treatment specified in paragraphs 4.2 (b) and 4.2 (c) contained in Part IV of the Proposed Composite Scheme complies with the Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015 or read with Rule 7 of the Companies (Accounts) Rules, 2014 (as the case may be) and other generally accepted accounting principles to the extent of accounting of the proposed transactions in the books of the transferee. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

For HSIL LIMITED

COMPANY SECRETARY

Conclusion

Based on our examination and according to the information and explanations given to us, we conclude that

a) The accounting treatment specified in paragraphs 4.2 (b) contained in Part IV of the Proposed Composite Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards specified under the Section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015; and

b) The accounting treatment specified in paragraph 4.2 (c) contained in Part IV of the Proposed Composite Scheme is not directly addressed by the Accounting Standards specified under the Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, in our view, the aforementioned accounting requirements is not in violation of the requirements of the Accounting Standards specified under the Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

Restriction on Distribution and Use

This Certificate is issued at the request of the HSIL Limited pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for submission to the BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose without our prior written consent.

Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Lalit Kumar

per **Lalit Kumar**
Partner
Membership Number: 095256

Place: Gurgaon
Date: 10 August 2016

HSIL LIMITED
Delhi-Rohtak Road, Bahadurgarh - 124 507.
Dist. Jhajjar, Haryana.

BSE LIMITED

From:
CD-I, Bahadurgarh

CHEQUE NO. : 929632
CHEQUE DATE : 17.08.2016
VOUCHER NO. : 3100007138

Phiroze Jeejeebhoy Towers, 25thBahadurgarh
Floor
Dalal Street
Mumbai-400001,Maharashtra

Dear Sir / Madam,
Kindly acknowledge receipt of the enclosed cheque in settlement of the following

S. No.	BILL NO	BILL DATE	PARTICULARS	TOTAL (Rs.)
1		17.08.2016	Advances - Services & Expens	115000.00
			Total	115000.00
			Less TDS Amt	10000.00
			Cheque Amount Rs.	105000.00

For HSIL LIMITED

Authorised Signatory

Standard Chartered
Standard Chartered Bank
Narain Manzil, 23 Barakhamba Road,
New Delhi - 110 001
IFSC "SCBL0036020"

VALID FOR THREE MONTHS FROM THE DATE OF ISSUE.
दिनांक Date 1 7 0 8 2 0 1 6
D D M M Y Y Y Y

Pay *** BSE LIMITED *** को या उनके आदेश पर Or Order

रुपये Rupees ONE LAKH FIVE THOUSAND ONLY

अदा करें। ₹ *105,000.00

A/c No. 522-0-592719-6

For HSIL LIMITED

PAYABLE AT PAR AT ALL THE BRANCHES OF STANDARD CHARTERED BANK IN INDIA

Please sign above

⑈929632⑈ ⑆100036002⑆ 258156⑈ 29