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Draft Letter of Offer
September 25, 2024
For Eligible Equity Shareholders Only



HINDWARE HOME INNOVATION LIMITED

Our Company was originally incorporated as “*Somany Home Innovation Limited*” on September 28, 2017, as a public limited company limited by shares under the Companies Act, 2013 pursuant to a certificate of incorporation dated September 28, 2017 issued by the Registrar of Companies, Central Registration Centre. Subsequently, the name of our Company was changed to “*Hindware Home Innovation Limited*” and a fresh certificate of incorporation consequent on change of name dated May 23, 2022 under the Companies Act, 2013 was issued by the Registrar of Companies, Kolkata. For details of changes in the name and registered office of the Company, refer chapter titled “*General Information*” on page 46.

Registered office: 2, Red cross Place, Kolkata, West Bengal, India, 700001;

Corporate office: Unit No 201 (i), (ii), (iiiA), (XVI) 2nd Floor, BPTP Park Centra, Sector-30, NH-8, Gurugram-122001

Contact Person: Ms. Payal M Puri, Company Secretary & Compliance Officer; **Tel No:** +91 124 4779200

E-Mail ID: investors@hindwarehomes.com; **Website:** www.hindwarehomes.com; **Corporate Identity Number:** L74999WB2017PLC222970

OUR PROMOTERS: (I) MR. SANDIP SOMANY; (II) MS. SUMITA SOMANY; (III) MS. DIVYA SOMANY; (IV) M/S. SANDIP SOMANY HUF; (V) MR. SHASHVAT SOMANY; (VI) MS/. SOMANY IMPRESA LIMITED; AND (VII) MATTERHORN TRUST

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY

ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹2/- (RUPEES TWO ONLY) (“RIGHTS EQUITY SHARES”) EACH AT A PRICE OF ₹[●]/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●]/- PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹25,000.00 LAKHS⁽¹⁾ ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, [●] (“THE ISSUE”). FOR FURTHER DETAILS, KINDLY REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 209 OF THIS DRAFT LETTER OF OFFER.

⁽¹⁾ Assuming full subscription with respect to Rights Equity Shares

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Investors are advised to refer to the “*Risk Factors*” on page 22 of this Draft Letter of Offer before making an investment in the Issue.

ISSUER’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing equity shares of our Company are listed on the **National Stock Exchange of India Limited (“NSE”)** and **BSE Limited (“BSE”)**, and together with NSE, the “**Stock Exchanges**”). Our Company has received “in-principle” approval from NSE and BSE for listing the Rights Equity Shares through their letters dated [●] and [●], respectively. Our Company will also make applications to the NSE and BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE

REGISTRAR TO THE COMPANY



FINSHORE
Creating Enterprise Managing Values

FINSHORE MANAGEMENT SERVICES LIMITED

“Anandlok”, Block-A, 2nd Floor, Room No. 207,
227 A.J.C Bose Road, Kolkata-700020, West Bengal

Telephone: +91 33 22895101 / +91 33 4603 2561

Email ID: info@finshoregroup.com

Investor Grievance ID: investors@finshoregroup.com

Website: www.finshoregroup.com

Contact Person: Mr. S. Ramakrishna Iyengar

SEBI Registration No: INM000012185

CIN: U74900WB2011PLC169377



CAMEO CORPORATE SERVICES LIMITED

“Subramanian Building”, No. 1, Club House Road,
Chennai - 600 002, Tamil Nadu, India

Telephone: +91 44-40020700 (5 lines)

Email: priya@cameoindia.com

Investor Grievance ID: investor@cameoindia.com

Website: www.cameoindia.com

Contact Person: Ms. K. Sreepriya

SEBI Registration Number: INR000003753

CIN: U67120TN1998PLC041613



MAHESHWARI DATAMATICS PVT LTD.

23, R.N. Mukherjee Road, 5th Floor, Kolkata,
Kolkata, West Bengal, India, 700001

Telephone: 033 – 22482248 / 22435809

Email ID: mdpldc@yahoo.com

Investor Grievance ID: mdpldc@yahoo.com

Website: www.mdpl.in

Contact Person: Mr. Ravi Kumar Bahl

SEBI Registration Number: INR000000353

CIN: U20221WB1982PTC034886

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON [#]
[●]	[●]	[●]

*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renounees on or prior to the Issue Closing Date.

[#]Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Letter of Offer, and references to any statute or regulations or rules or policies or guidelines will include any amendments or modifications or re-enactments thereto, from time to time.

GENERAL TERMS

TERM/ABBREVIATION	DESCRIPTION
“Hindware Home Innovation Limited”, “HINDWAREAP”, “HHIL”, “The Company”, “Our Company”, or “Issuer” or “Issuer Company”	Unless the context otherwise indicates or implies, Hindware Home Innovation Limited, a public limited company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office situated at 2, Red cross Place, Kolkata, West Bengal, India, 700001.
“We”, “Our”, “Us”, or “our Group”	Unless the context otherwise indicates or implies or unless otherwise specified, refers to our Company along with our Subsidiaries, and Joint Ventures, as applicable, on a consolidated basis

COMPANY RELATED TERMS

TERM/ABBREVIATION	DESCRIPTION
“Articles of Association” or “Articles”	Articles of association of our Company, as amended from time to time
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its subsidiaries which includes net share in profit/loss in its Joint Ventures, as at and for the year ended March 31, 2024, which comprises the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of material accounting policies and other explanatory information prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act.
Audit Committee	Audit committee of our Board
“Auditors” or “Statutory Auditors”	The statutory auditors of our Company, being Lodha & Co LLP, Chartered Accountants
“Board of Directors” or “Board” or “our Board”	The board of directors of our Company. For details, see “ <i>Our Management</i> ” on page 99.
Building Products	Building Products Business Division which includes BPDM Undertaking and BPD Undertaking.
BPD Undertaking	In terms of Business Transfer Agreement dated February 04, 2022, BPD Undertaking means the Building Products Division Business which was erstwhile conducted by AGI Greenpac Limited through its operating manufacturing plants, along with all the related assets and liabilities including but not limited to the assets (including all related rights and property) that are primarily related to or used or held for use primarily in connection with the business or operations of the Building Products Division Business inclusive of ‘Assumed Assets’ and excluding ‘Excluded Assets’ as defined in the said Business Transfer Agreement.
BPDM Undertaking	As per the Composite Scheme of Arrangement as approved by Hon’ble NCLT vide the order dated June 26, 2019, BPDM Undertaking means and includes all the activities, business, operations and undertakings of, and relating to, the distribution

TERM/ABBREVIATION	DESCRIPTION
	and marketing activities of the building products division of AGI Greenpac Limited (which is transferred to our subsidiary, Hindware Limited), including storing, transporting, selling, distributing and trading in various building products like, sanitaryware, faucets, UPVC and CPVC pipes, tiles, fittings and other wellness and allied products, including water closets, wash basins, pedestals, squatting pans, urinals, cisterns, bidets, showers, bathroom faucets, kitchen faucets, bath tubs, shower panels, shower enclosures, whirlpools, steam generators, concealed cisterns, seat covers and PVC cisterns etc., through its chain of distributors, dealers, sub-dealers, display centers, modern trade channels, e-commerce, etc., relating to the sale of such products of the building products division, as defined in the said Composite Scheme of Arrangement.
Chairman	The chairman of the Board of our Company, Mr. Sandip Somany. For details, see “ Our Management ” on page 99
“Chief Executive Officer” or “CEO” or “Chief Financial Officer” or “CFO”	The Chief Executive Officer and Chief Financial Officer of our Company, Mr. Naveen Malik. For details, see “ Our Management ” on page 99
Company Secretary, Compliance Officer and Senior Vice President Group General Counsel or Sr. V P Group General Counsel	The Company Secretary, Compliance Officer and Senior Vice President Group General Counsel of our Company, Ms. Payal M Puri. For details, see “ Our Management ” on page 99
“Consumer Appliances Business” or “CAB”	All the activities from CPDM Undertaking which is being carried out by our Company including its ancillary services.
Corporate Affairs Committee	Corporate Affairs Committee of our Board
Corporate Office	Unit No 201 (i), (ii), (iiiA), (XVI) 2nd Floor, BPTP Park Centra, Sector-30, NH-8, Gurugram-122001
CPDM Undertaking	As per the Composite Scheme of Arrangement as approved by Hon’ble NCLT vide the order dated June 26, 2019, CPDM Undertaking means and includes all the activities, business, operations and undertakings of, and relating to, the distribution and marketing activities of the consumer products division of AGI Greenpac Limited (which is transferred to our Company), including storing, transporting, selling, distributing and trading in various consumer products like kitchen appliances, cooktops, chimneys, vents, hobs, water heaters, water purifiers, air coolers, air purifiers and water purifiers, through its chain of distributors, dealers, sub-dealers, display centers, modern trade channels, e-commerce etc., relating to the sale of such products of the consumer products division, as defined in the said Composite Scheme of Arrangement.
Directors	The directors on our Board, as may be appointed from time to time. For details, see “ Our Management ” on page 99.
Equity Shares	Equity shares of face value of ₹2 each of our Company
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations.
HL	Hindware Limited (earlier known as Brilloca Limited), which is one of the subsidiaries of our Company
Independent Director(s)	The non-executive, independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Independent Directors, see “ Our Management ” on page 99
“Joint Venture” or “JV”	Joint venture of our Company, being Hintastica Private Limited
Key Managerial Personnel	Key managerial personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as disclosed in “ Our Management ” on page 99
Material Subsidiary	A Subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year i.e., Financial Year 2024 or any other subsidiary as may be considered as “ material ” pursuant to Material Subsidiary Policy, framed by the

TERM/ABBREVIATION	DESCRIPTION
	Company in accordance with the SEBI LODR Regulations, being Hindware Limited (formerly known as Brilloca Limited)
Materiality Threshold	An amount equivalent to or in excess of 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company, which is determined to be ₹4.78 crore, adopted by the Rights Issue Committee through its resolution dated September 03, 2024, in conformity with the 'Policy for Determining Materiality of Events' framed in accordance with Regulation 30 of the SEBI LODR Regulations and adopted by our Board and above which all outstanding civil and tax proceedings involving our Company and our Subsidiaries and all outstanding proceedings in relation to violation of statutory regulations by our Company and our Subsidiaries have been disclosed in the section " Outstanding Litigations and Defaults " beginning on page 190.
"Memorandum of Association" or "Memorandum"	Memorandum of association of our Company, as amended from time to time
"Nomination and Remuneration Committee"	Nomination and remuneration committee of our Board of Directors
Non-Executive Director(s)	The non-executive Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Non-Executive Directors, see " Our Management – Board of Directors " on page 99
Promoters / Our Promoters / Promoters of the Company	The promoters of the Company being (I) Sandip Somany ; (II) Sumita Somany ; (III) Divya Somany ; (IV) Sandip Somany HUF ; (V) Shashvat Somany ; (VI) Somany Impresa Limited ; and (VII) Matterhorn Trust .
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	2, Red cross Place, Kolkata, West Bengal, India, 700001
"Retail Undertaking" or "Retail Business"	As per the Composite Scheme of Arrangement as approved by Hon'ble NCLT vide the order dated June 26, 2019, Retail Undertaking means and includes all the activities, business, operations and undertakings of and relating to retail business undertaking of AGI Greenpac Limited (which is transferred to our Company), 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 Demerged Company (AGI Greenpac Limited).
Rights Issue Committee	Rights Issue Committee, being the committee of our Board of Directors constituted for purposes of the Issue, consisting of Mr. Sandip Somany, Mr. Nand Gopal Khaitan, Mr. Girdhari Lal Sultania, and Mr. Salil Kumar Bhandari.
Risk Management Committee	Risk Management Committee of our Board
"Scheme of Arrangement" or "Composite Scheme of Arrangement"	Composite Scheme of Arrangement which was filed under sections 230 to 232, read with section 66 and other applicable provisions of the Companies Act, 2013 amongst AGI Greenpac Limited, Our Company, Hindware Limited and their respective shareholders and creditors which was approved by the Hon'ble NCLT, Kolkata Bench vide the order no. CP (CAA) NO. 1597 / KB / 2018 dated June 26, 2019 pursuant to which BPDM Undertaking, CPDM Undertaking and Retail Undertaking was demerged from AGI Greenpac Limited to our Company and Hindware Limited.
Senior Management	Senior management personnel of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, and as disclosed in " Our Management " on page 99
Share Transfer Committee	Share Transfer Committee of our Board
Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee	Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee of our Board of Directors
Subsidiaries	Subsidiaries of our Company, being: <ol style="list-style-type: none"> 1. Hindware Limited 2. Evok Homes Private Limited 3. Luxxis Heating Solutions Private Limited (Struck off w.e.f April 28, 2023) The step-down subsidiaries of our Company, being:

TERM/ABBREVIATION	DESCRIPTION
	<ol style="list-style-type: none"> Halis International Limited, Mauritius (subsidiary of Hindware Limited) Queo Bathroom Innovations Limited, UK (subsidiary of Halis International Limited) Truflo Pipes Limited (subsidiary of Hindware Limited)
Unaudited Consolidated Financial Results	The limited review consolidated financial results of our Company, subsidiaries and joint venture as at and for the three months ended June 30, 2024, which comprises the consolidated statement of profit and loss including its share of profit / (loss) after tax in joint venture and other comprehensive income/ (loss).

ISSUE RELATED TERMS

TERM/ABBREVIATION	DESCRIPTION
“Abridged Letter of Offer” or “ALOF”	The abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied for or allotted under this Issue in addition to the Rights Entitlement
“Allotment” or “Allot” or “Allotted”	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to the Issue, into which the Application Money, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●]
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
“Applicant(s)” or “Investor(s)”	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer
Application	Application made through submission of the Application Form or plain paper application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
“Application Supported by Blocked Amount” or “ASBA”	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI ICDR Master Circular (to the extent it pertains to the rights issue process) and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker to the Issue	Axis Bank Ltd.

TERM/ABBREVIATION	DESCRIPTION
Banker to the Issue Agreement	Agreement dated [●], entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for among other things, collection of the Application Money from Applicants/Investors and transfer of funds to the Allotment Account, on the terms and conditions thereof
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in “ <i>Terms of the Issue</i> ” beginning on page 209.
“Controlling Branches” or “Controlling Branches of the SCSBs”	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI’s website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time
Demographic Details	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE Limited
“Draft Letter of Offer” or “DLOF”	This Draft Letter of Offer dated September 25, 2024
Eligible Equity Shareholder(s)	Equity Shareholders as on the Record Date. Please note that only those Equity Shareholders who have provided an Indian address to our Company are eligible to participate in the Issue. For further details, see “ <i>Notice to Investors</i> ” and “ <i>Restrictions on Purchases and Resales</i> ” beginning on pages 13 and 235, respectively
“Equity Shareholder(s)” or “Shareholders”	Holder(s) of the Equity Shares of our Company
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
Gross Proceeds	The gross proceeds raised through the Issue
Issue	This issue of up to [●]* Rights Equity Shares for cash at a price of ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹25,000* lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] Equity Shares held by the Eligible Equity Shareholders on the Record Date <i>*Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.</i>
Issue Agreement	Issue agreement dated September 13, 2024, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	[●]
Issue Materials	Collectively, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹[●] per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to [●] Rights Equity Shares aggregating up to ₹25,000* lakhs <i>*Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.</i>
Lead Manager	Finshore Management Services Limited

TERM/ABBREVIATION	DESCRIPTION
“Letter of Offer” or “LOF”	This letter of offer dated [●], filed with the Stock Exchanges and SEBI
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement dated [●], between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds
Multiple Application Forms	More than one application form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less the estimated Issue related expenses. For further details, see “ <i>Objects of the Issue</i> ” beginning on page 52
Off Market Renunciation	<p>The renunciation of Rights Entitlements undertaken by the Investor by transferring its Rights Entitlements through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws.</p> <p>Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date</p>
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading its Rights Entitlements over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders who would be eligible to apply for the Rights Equity Shares in the Issue subject to terms and conditions set out in the Issue Materials, to be decided prior to the filing of this Letter of Offer, being [●]
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being Axis Bank Limited
Registrar Agreement	Agreement dated September 20, 2024, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
“Registrar to the Issue” or “Registrar” or “RTI”	Cameo Corporate Services Limited
“Registrar and Share Transfer Agent” or “Share Transfer Agent”	Maheshwari Datamatics Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI ICDR Master Circular
Renunciation Period	The period during which the Eligible Equity Shareholders can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Share for every [●] Equity Shares held by an Eligible Equity Shareholder on the Record Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The details of Rights Entitlements are also accessible on the website of our Company
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on a fully paid-up basis on Allotment

TERM/ABBREVIATION	DESCRIPTION
Rights Equity Shareholders	Holder of the Rights Equity Shares pursuant to this Issue
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , or such other website as updated from time to time
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed i.e. BSE and NSE
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Days	All days on which commercial banks in Mumbai are open for business. Further, in respect of the Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, in respect of the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

TERM/ABBREVIATION	DESCRIPTION/ FULL FORM
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupee
Aadhaar	Aadhaar card
AGM	Annual general meeting of the Shareholders of our Company
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Arbitration Act	Arbitration and Conciliation Act, 1996
Axis Bank	Axis Bank Limited
“Ind AS” or “Accounting Standards”	Accounting standards issued by the ICAI
Basic EPS	Net Profit for the year attributable to owners of the Company/ weighted average number of Equity Shares outstanding during the year
“Bharatiya Nagrik Suraksha Sanhita” or “BNSS”	The Bharatiya Nagrik Suraksha Sanhita, 2023
“Bharatiya Nyaya Sanhita” or “BNS”	The Bharatiya Nyaya Sanhita, 2023
bps	Basis points. One basis point is equal to one-hundredth of a percentage point (0.01%).
BSE	BSE Limited
BTA	Business Transfer Agreement
CAGR	Compounded annual growth rate
Calendar Year	Calendar year ending December 31
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
CBDT	Central Board of Direct Taxes, Government of India
CCPA	Central Consumer Protection Authority
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Citibank N.A.	Citibank N.A., incorporated with limited liability in U.S.A
Central Government	Central Government of India
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account

TERM/ABBREVIATION	DESCRIPTION/ FULL FORM
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013 along with the relevant rules made thereunder
Cost of Goods Sold	Cost of materials consumed, purchase of stock in trade and change in inventories of finished goods/ work-in-progress/ stock in trade (excluding direct overheads and wages)
CrPC	Code of Criminal Procedure, 1973, as replaced by BNSS
CSR	Corporate social responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Diluted EPS	Net Profit for the year attributable to owners of the Company/weighted average number of Equity Shares outstanding during the year as adjusted for effective of dilutive equity shares
DIN	Director identification number
“DP” or “Depository Participant”	Depository participant as defined under the Depositories Act
DP ID	Depository participant’s identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion)
EBIT	Earnings before interest and taxes
EBITDA	EBITDA is calculated as profit before exceptional items and tax plus finance costs, depreciation and amortization expenses, excluding other income (other than other non-operating income)
EGM	Extraordinary General Meeting
EPS	Earnings per share
ESG	Environmental, social and governance
EUR	Euro
FDI	Foreign direct investment
Federal Bank	Federal Bank Limited
FEMA	Foreign Exchange Management Act, 1999
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year” or “Fiscal Year” or “Fiscal” or “FY”	Period of 12 months ending March 31 of that particular year
FDI Policy	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020 issued by DPIIT, effective from October 15, 2020
FEMA ODI Regulations	Foreign Exchange Management (Overseas Investment) Regulations, 2022
FEMA ODI Rules	Foreign Exchange Management (Overseas Investment) Rules, 2022
FIR	First information report
FPI	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles in India
GBP	Great Britain Pound
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
GST	Goods and Services Tax
HSBC Bank	The Hongkong and Shanghai Banking Corporation Limited
HDFC Bank	HDFC Bank Limited
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015

TERM/ABBREVIATION	DESCRIPTION/ FULL FORM
India	Republic of India
Income-Tax Act	Income-tax Act, 1961
IPC	Indian Penal Code, 1860, as replaced by BNS
ISIN	International Securities Identification Number
IST	Indian standard time
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds based Lending Rate
“Mn” or “mn”	Million
MSME	Micro, Small and Medium Enterprise
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NCLT	Hon’ble National Company Law Tribunal
NEFT	National electronic fund transfer
Net Worth	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
Net Asset Value per Equity Share	Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year
Non-GAAP Financial Measure	A financial measure not presented in accordance with generally accepted accounting principles
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE	Non-resident external
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non-resident ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
“OCBs” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
OCI	Overseas citizen of India
P/E Ratio	Price to earnings ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
“Return on Net Worth” or “RoNW”	Net Profit for the year attributable to owners of the Company/Net Worth
RoC	Registrar of Companies, West Bengal at Kolkata
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRRI	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India

TERM/ABBREVIATION	DESCRIPTION/ FULL FORM
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI ICDR Master Circular	The SEBI master circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023
“SEBI LODR Regulations” or “SEBI Listing Regulations” or “LODR”	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
STT	Securities transaction tax
State Government	Government of a state of India
TM	Trademark
UPI	Unified Payment Interface
USD	United States Dollar
“U.S.” or “USA” or “United States”	United States of America, its territories or possessions, any state of the United States, and the District of Columbia
US GAAP	Generally accepted accounting principles in the U.S.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

INDUSTRY RELATED TERMS

TERM/ABBREVIATION	DESCRIPTION/ FULL FORM
Bath Fittings	Fixtures used in bathrooms, such as showerheads, faucets, and other accessories, for both functional and aesthetic purposes.
Capex	Capital Expenditure
Cash Flow	The total amount of money being transferred in and out of a business, especially as it relates to operating, investing, and financing activities.
CPVC	Chlorinated Polyvinyl Chloride
CPVC Pipes & Fittings	CPVC pipes and fittings used in plumbing, water supply systems, and drainage solutions, for Hot and cool water.
EWC	European Water Closet
Faucets	Devices used to control the flow of water from a pipe, commonly used in kitchens and bathrooms, including taps, showerheads, and other water dispensing fixtures.
Modular Kitchens	Pre-fabricated kitchen units that are designed to be assembled in a customizable manner, offering flexibility and efficient space utilization.
PVC	Polyvinyl Chloride
PVC Cisterns	Water tanks made from PVC, used in bathroom flush systems to store and release water for flushing toilets.
PVC Pipes & Fittings	PVC pipes and fittings used in plumbing, water supply systems, and drainage solutions, known for durability and resistance to corrosion.
Sanitaryware	Products used in bathrooms, such as toilets, sinks, and washbasins, made from ceramic or other durable materials, primarily for hygiene and sanitation purposes.
SWR Pipes	Soil, Waste, and Rainwater Pipes

TERM/ABBREVIATION	DESCRIPTION/ FULL FORM
Term Loan	A type of borrowing with a specified repayment schedule and fixed or floating interest rate.
Tiles	Thin, flat slabs of material, such as ceramic, stone, or porcelain, used for covering walls, floors, or surfaces, commonly used in construction and interior design.
UPVC	Unplasticized Polyvinyl Chloride
UPVC Pipes and fittings	UPVC is a rigid, strong, and chemically resistant material commonly used for pipes and fittings in plumbing, drainage, and sewage systems.
Water Heaters	Appliances used to heat water for residential or commercial use, often found in bathrooms and kitchens.
Working Capital	The capital used in day-to-day operations

The words and expressions used but not defined in this Draft Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter and any other Issue material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlements Letter may come, are required to inform themselves about and observe such restrictions.

The Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, Application Form, Rights Entitlements Letter and other Issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid email address to the Company or to their email addresses; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders.

Further, the Letter of Offer will be provided, by the Company to any existing Shareholder who have provided their Indian address and who make a request in this regard.

Investors can also access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, the Company, the Lead Manager and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the BSE for observation. Accordingly, this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form or any Issue materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdictions or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Accordingly, persons receiving a copy of this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject the Company or its affiliates or the Lead Manager or its respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements and the Rights Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for the Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India).

The Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company reserves the right to treat any Application Form as invalid where they believe that (i) Application Form does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) the Application Form appears to have been executed in or dispatched from the United States; (iii) a registered Indian address is not provided; or (iv) the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft

Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

The contents of this Draft Letter of Offer and Abridged Letter of Offer should not be construed as business, financial, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult their own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither the Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer, Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States. The rights and securities of the Company, including the Rights Equity Shares and Right Entitlements have not been and will not be registered under the United States Securities Act, 1933, as amended (the "Securities Act"), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States or the territories or possessions thereof (the "United States" or "U.S.") or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act ("Regulation S")), except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Share referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, this Draft Letter of Offer/ Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither the Company nor any person acting on behalf of the Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who the Company or any person acting on behalf of the Company, has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. No application form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India. the Company is making this issue of Rights Equity Shares on a rights basis to the eligible equity shareholders and the Abridged Letter of Offer and CAF will be dispatched to (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders.

Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

The Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to the Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located)

in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where the Company believes that the Application Form is incomplete or the acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and the Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form. Rights Entitlement may not be transferred or sold to any person in the United States of America.

The above information is given for the benefit of the Applicants / Investors. the Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a Calendar Year. Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer. In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise, or unless the context requires otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements, the Unaudited Consolidated Financial Results for financial year ended March 31, 2024 and March 31, 2023 and Unaudited Consolidated Financial Results for three months ended June 30, 2024. The FY 2023-24 and FY 2022-23 Audited Consolidated Statements were audited by our Statutory Auditors and the Unaudited Consolidated Financial Results and the Unaudited Standalone Financial Results for three months ended June 30, 2024 were reviewed by our Statutory Auditors. Our Company's Financial Year commences on April 1 of each Calendar Year and ends on March 31 of the following Calendar Year. Unless otherwise stated, references in this Draft Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31 of that year. For details of the financial statements, see "**Financial Statements**" beginning on page 103. Financial information for three months period ended June 30, 2024 and June 30, 2023 is not indicative of our future operating results and are not comparable with our annual financial information.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Rupees, in lakhs.

Non-GAAP Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively "**Non-GAAP Financial Measures**", and each, a "**Non-GAAP Financial Measure**") in this Draft Letter of Offer, which are Net Worth, Return on Net Worth, Net Asset Value per Equity Share, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of other companies in our industry. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, GAAP, IFRS or US GAAP. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. However, these Non-GAAP Financial Measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, such Non-GAAP Financial Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under GAAP.

Market and Industry Data

Unless stated otherwise, industry and market data used throughout this Draft Letter of Offer has been derived from publicly available sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Letter of Offer is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled "**Risk Factors**" beginning on page no. 22 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

Currency of Presentation

All references to

- 'INR', '₹', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India;
- 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America; and
- 'EUR', '€' and 'Euro' are to the legal currency of the European Union.
- 'GBP', '£' and 'Pound Sterling' are to the legal currency of the United Kingdom.

Please note:

- One billion is equal to 100,00,00,000 or 10,000 lakhs;
- One million is equal to 10,00,000 or 10 lakhs;
- One crore is equal to 1,00,00,000 or 10 million or 100 lakhs; and
- One lakh is equal to 1,00,000.

Conversion Rates for Foreign Currency:

The conversion rate for the following foreign currencies are as follows:

Sr. No.	Currency	As of June 30, 2024 ¹ (in ₹)	As of March 31, 2024 ² (in ₹)	As of March 31, 2023 (in ₹)
1.	1 USD	83.45	83.37	82.21
2.	1 EUR	89.25	89.92	89.37
3.	1 GBP	105.46	105.11	101.72

Source: www.fbil.org.in

¹ Since June 30, 2024, was a Sunday, the exchange rate was considered as on June 28, 2024, being the last working day prior to June 30, 2024.

² Since March 31, 2024, was a Sunday, the exchange rate was considered as on March 28, 2024, being the last working day prior to March 31, 2024.

FORWARD LOOKING STATEMENT

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, result of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- Any adverse outcome in litigation proceedings in which our Company is involved;
- Non-compliance with certain financial covenants of the financing and debt facilities availed by our Company;
- Any unforeseen situation / event having negative impact on the capital market;
- Any disruption in our sources of funding or increase in costs of funding;
- Our ability to obtain certain approvals and licenses;
- Engagement in a highly competitive business and a failure to effectively compete;
- Our ability to manage our operations at our current size or to manage any future growth effectively;
- General, political, economic, social and business conditions in India and other global markets; and
- Dependence on a number of key management personnel and senior management personnel and our ability to attract and retain qualified personnel.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on pages 22, 81 and 178, respectively.

The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of our Company's management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI and Stock Exchange requirements, our Company and the Lead Manager will ensure that the Eligible Equity Shareholders are informed of material developments until the time of the grant of listing and trading permissions for the Rights Equity Shares by the Stock Exchanges.

SECTION II: SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors.

(A) PRIMARY BUSINESS OF THE COMPANY

Our Company along with its subsidiaries is engaged in Consumer Appliances and Building Products business activities. Our joint venture company is involved in the business of water heaters and room heaters.

Our Board of Directors have decided to discontinue retail business of furniture & furnishing vide its resolution dated May 28, 2024.

For further detailed information, please refer to chapter titled “Our Business” beginning from page no. 81 of this Draft Letter of Offer.

(B) INDUSTRY OVERVIEW:

In FY 2023-24, the demand for consumer appliances in India witnessed a slowdown, reflecting the challenging and dynamic conditions prevailing in the industry. Factors such as weak consumer sentiment due to the inflationary environment and an increased cost-of-living, were primary contributors to this subdued demand. Additionally, supply chain disruptions and shifts in consumer spending habits amidst economic uncertainty further dampened the demand for consumer appliances.

In FY 2023-24, growth in the sanitaryware, faucet, and tiles segments was slower due to the focus on completing delayed real estate projects and subdued customer sentiment. However, we expect demand to increase across these sectors as new projects begin and ongoing ones near completion. Initiatives like Swachh Bharat Abhiyan and Bharat Tap, along with changing consumer preferences for visually appealing, watersaving, and sustainable products, will drive growth. Additionally, factors such as urbanisation, a growing middle class, and increased e-commerce accessibility will further support market expansion. Our integrated approach to the Bathware business positions us well to leverage these trends and achieve sustained growth.

Source: Annual Report of the Company for FY 2023-24

For further detailed information, please refer to chapter titled “Industry Overview” beginning from page no. 78 of this Draft Letter of Offer.

(C) OBJECTS OF THE ISSUE:

The Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

(₹ in Lakhs)

Particulars	Estimated amount
Lending of fresh loans to Hindware Limited (“HL”, one of the subsidiaries of our Company) to facilitate them to repay / pre-pay in full or part of secured working capital loans availed by HL from banking institutions;	9,800.00
Repayment or pre-payment, in full or in part, of all or a portion of certain borrowing availed by our Company;	15,114.00
Total Net Proceeds*	24,914.00

**Assuming full subscription in the Issue and subject to finalisation of Basis of Allotment.*

(D) INTENTION AND EXTENT OF PARTICIPATION IN THE ISSUE BY THE PROMOTERS AND PROMOTER GROUP:

Our Promoters and Promoter Group have confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of our Promoters or other member(s) of our Promoter Group); (ii) subscribe to additional Rights Entitlements over and above their Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of our Promoter Group; and (iii) subscribe to

additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the Securities Contracts (Regulation) Rules, 1957 and the SEBI LODR Regulations.

The acquisition of Rights Equity Shares by our Promoters and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

(E) SUMMARY OF MATERIAL OUTSTANDING LITIGATIONS:

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Draft Letter of Offer is set forth in the table below:

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable (in ₹)
Against the Company		
Consumer Complaint Cases	37	60,19,787
Civil Suits	2	7,22,939
Commercial Suits	3	46,67,505
MSME Cases	2	48,51,703
Arbitration proceeding	1	17,27,438
Criminal proceedings against the Company	2	25,03,991
By the Company		
Criminal proceedings by the Company	198	17,61,18,201
Against the Subsidiaries		
Consumer Complaint Cases	18	53,84,530
Civil Suits	5	73,96,390
Other Material Litigation	1	Not Quantifiable
Direct Tax	1	3,94,99,760
By the Subsidiaries		
Criminal proceedings	225	25,52,43,857
Other Material Litigation	2	12,59,15,146
Statutory dues/liabilities against the Company and its Subsidiaries	37	31,11,26,858

For further details, please refer chapter “*Outstanding Litigations and Defaults*” beginning from page no. 190 of this Draft Letter of Offer.

(F) CROSS REFERENCE TO THE SECTION TITLED “RISK FACTORS”:

For details, see “*Risk Factors*” beginning on page 22. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

(G) CROSS-REFERENCE TO CONTINGENT LIABILITIES OF THE ISSUER AS DISCLOSED IN AUDITED FINANCIAL STATEMENTS:

For details regarding our contingent liabilities as per Ind AS 37 as at March 31, 2024 and March 31, 2023, see “*Financial Statements*” on page 103.

(H) SUMMARY OF RELATED PARTY TRANSACTIONS AS DISCLOSED IN THE FINANCIAL STATEMENTS:

For details of the related party transactions, as per the requirements under applicable Indian Accounting Standards, i.e., Ind AS – Related Party Disclosures, entered into by our Company for Fiscal 2024 and Fiscal 2023, see “*Financial Statements – Note 42: Related Party Transaction*” on page 144.

(I) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS DRAFT LETTER OF OFFER:

Our Company has not issued Equity Shares for consideration other than cash during the last 1 (one) year immediately preceding the date of filing of this Draft Letter of Offer.

SECTION III: RISK FACTORS

Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, “**Our Business**”, “**Particulars of the Issue**”, “**Industry Overview**”, “**Financial Information**”, “**Outstanding Litigations and Defaults**”, and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page no. 81, 52, 78, 103, 190, and 178 respectively, as well as the other financial and statistical information contained in this Draft Letter of Offer.

Any of the following risks, as well as the other risks and uncertainties discussed in this draft Letter of Offer, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

This draft Letter of Offer contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this draft Letter of Offer.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Audited Financial Statements and Unaudited Financial Results prepared in accordance with IND AS, as per the requirements of the Companies Act, 2013, and SEBI (LODR) Regulations.

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some risks may not be material individually but may be material when considered collectively.
2. Some risks may have material impact qualitatively instead of quantitatively.
3. Some risks may not be material at present but may have a material impact in the future.

INTERNAL RISK FACTORS

1. **Our Company has proposed a portion of the Net Proceeds will be utilized for (i) Lending of fresh loans to Hindware Limited (“HL”, one of the subsidiaries of our Company) to facilitate them to repay / pre-pay in full or part of secured working capital loans availed by HL from banking institutions; and (ii) Repayment or pre-payment, in full or in part, of all or a portion of certain borrowing availed by our Company. Accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.**

Our Company intends to utilize total of ₹ 15,114.00 Lakhs from the Net Proceeds to repay or pre-pay certain secured and unsecured loans availed by our Company from lenders. The fund based secured and unsecured loans were availed from HL and multiple banking institutions, aggregating to ₹15,369.33 Lakhs as on September 02, 2024. These loans were utilised by our Company towards short and/or long-term business requirements and meeting working capital requirements. The details of the loans to be repaid or prepaid using the Net Proceeds and the purpose for which the said loans have been utilized have been disclosed in the section titled “**Objects of the Issue**” on page 52 of this Draft Letter of Offer.

In addition, our Company proposes to give fresh loan to HL, aggregating to an amount of ₹ 9,800.00 Lakhs from the Net Proceeds. This fresh loan to HL shall be utilised for repayment /or pre-payment in full or part of secured working capital loans availed by HL from banking institutions.

As on September 02, 2024, the total aggregate amount of outstanding secured working capital loans is ₹ 36,226.50 lakhs, availed by HL from banks. There may be pre-payment premium or pre-payment penalty as per the terms of the relevant financing agreement which will be finally negotiated in the due course. These loans were utilised by HL towards meeting working capital requirements of HL. The details of the loans to be repaid or prepaid using the Net

Proceeds and the purpose for which the said loans have been utilized have been disclosed in the section titled “*Objects of the Issue*” on page 52 of this Draft Letter of Offer.

While we believe that a portion of the Net Proceeds utilized for the repayment or pre-payment of secured and unsecured loans and extension of fresh loans to Hindware Limited would help in reducing the debt costs of our Company and Hindware Limited and enable the utilization of our funds for further investment in business growth and expansion. The repayment/ or pre-payment of loans will not result in the creation of any tangible assets for our Company, its subsidiary i.e., HL or any step-down subsidiary of our Company.

2. ***Our Company and Subsidiaries are involved in certain legal and other proceedings and there can be no assurance that our Company, and/or Subsidiaries will be successful in any of these legal actions. Any adverse outcome in such proceedings would affect our business, cash flows and results of operations.***

Our Company and Subsidiaries are impleaded in a number of legal proceedings that, if determined against our Company or our Subsidiaries, could have an adverse effect on our business, results of operations, cash flows and financial condition. For further information, see “*Outstanding Litigations and Defaults*” on page 190.

A summary of material outstanding legal proceedings involving our Company and our Subsidiaries, as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is set out below.

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable (in ₹)
Against the Company		
Consumer Complaint Cases	37	60,19,787
Civil Suits	2	7,22,939
Commercial Suits	3	46,67,505
MSME Cases	2	48,51,703
Arbitration proceeding	1	17,27,438
Criminal proceedings against the Company	2	25,03,991
By the Company		
Criminal proceedings by the Company	198	17,61,18,201
Against the Subsidiaries		
Consumer Complaint Cases	18	53,84,530
Civil Suits	5	73,96,390
Other Material Litigation	1	Not Quantifiable
Direct Tax	1	3,94,99,760
By the Subsidiaries		
Criminal proceedings	225	25,52,43,857
Other Material Litigation	2	12,59,15,146
Statutory dues/liabilities against the Company and its Subsidiaries	37	31,11,26,858

Note: The amount mentioned above may be subject to additional interest, rates or Penalties being levied by the concerned authorities for delay in making payment or otherwise.

Decisions which are adverse to our interests in any of the aforesaid material outstanding legal proceedings or any other proceedings involving us or our Subsidiaries, have a material adverse effect on our business, financial condition, cash flows and results of operations. If the courts or tribunals rule against our Company or Subsidiaries, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

3. ***Our Company, on a standalone basis, had incurred losses in the past. Any losses in future could adversely impact our business, financial condition and results of operations.***

Our Company, on a standalone basis, has incurred losses after tax of ₹35.99 Crores in FY 2023-24 and ₹4.81 Crores in the three months period ended June 30, 2024 excluding the loss of ₹0.54 Crores from Discontinued Operations. Any failure to sustain or increase our net revenue sufficiently to keep pace with our expenses could prevent us from achieving profitability on a consistent basis in future periods.

4. **We had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

The detailed break up of cash flows is summarized in below mentioned table and we have reported negative cash flow in certain financial years:

(₹ in Lakhs)

Particulars	FY 2023-24	FY 2022-23
Net cash generated by operating activities	24,076.66	22,078.69
Net cash used in investing activities	(21,877.02)	(70,473.95)
Net cash (used)/ generated in financing activities	(197.44)	46,668.45
Net increase / (decrease) in cash and cash equivalents	2,002.20	(1,726.81)

Note: Figures as per Audited Consolidated Financial Statements.

There can be no assurance that our net cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected.

5. **Some of our Subsidiaries including Step Down Subsidiaries and Joint Venture have incurred losses in the past.**

Some of our Subsidiaries including Step Down Subsidiaries and Joint Venture have incurred losses in the past, details of which are as under:

Subsidiaries including Step Down Subsidiaries

(₹ in Lakhs)

Name of the entity	Profit / (Loss) after tax		
	Quarter ended June 30, 2024*	Year ended March 31, 2024	Year ended March 31, 2023
Evok Homes Private Limited	(0.69)	(1,061.86)	(271.31)
Truflo Pipes Limited	(0.08)	(1.90)	(1.20)
Queo Bathroom Innovations Limited	(1.56)	(6.20)	(5.58)
Halis International Limited	(1.81)	(7.16)	(7.33)

*Unaudited figures

Certified by Statutory Auditor dated September 24, 2024

Joint Venture

(₹ in Lakhs)

Name of the entity	Our Company's Share in Profit / (Loss) after tax		
	Quarter ended June 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023
Hintastica Private Limited	(389.54)	(911.95)	(890.79)

Certified by Statutory Auditor dated September 24, 2024

There can be no assurance that our Subsidiaries including Step Down Subsidiaries and Joint Venture will not incur losses in any future periods, or that there may not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by our Subsidiaries and Joint Venture may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.

6. **We have entered into certain transactions with related parties. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.**

We have entered into certain transactions with related parties e.g., AGI Greenpac Limited and may continue to do so in future. For further details, please see the section titled “**Financial Information**” on page 103. Our Company has entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favorable terms than from a transaction with related parties. Additionally, our Company believes that all our related party transactions have been conducted on an arm's length basis, but we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations, although going forward, all related party transactions that we may enter will be subject to board or shareholder approval, as under the Companies Act, 2013 and the SEBI LODR Regulations.

7. ***We have contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities crystallizes.***

Below tables states our contingent liabilities on a consolidated basis as on September 24, 2024, June 30, 2024, March 31, 2024 and March 31, 2023:

Particulars	<i>₹ in lakhs</i>			
	September 24, 2024	June 30, 2024	March 31, 2024	March 31, 2023
Demands raised by the service-tax authorities against which appeals have been filed	77.77	77.77	77.77	77.77
Demands made by the sales tax authorities against which appeals have been filed	526.02	526.02	717.13	1,198.00
Demand raised by the goods and service tax authority	2,875.51	2,717.37	2,234.65	189.42
Claims against the Group not acknowledged as debts	268.00	268.00	413.63	350.94
Total	3,747.30	3,589.16	3,443.18	1,816.13

Certified by Statutory Auditor dated September 24, 2024

For further details on our contingent liabilities, see “**Financial Information**” on page 103. If any of these contingent liabilities materialise, our results of operations and financial condition may be adversely affected.

8. ***We conduct our Consumer Appliances Business activities through our Company, Building Products business activities through our Subsidiaries and business of water heaters and room heaters through Joint Venture. However, in the event, if we are not able to effectively manage our diverse operations, it may negatively impact our business, financial results, cash flow and overall financial condition.***

Our business verticals are managed through our Company, subsidiaries and Joint Ventures. This strategic approach allows us to optimize control, risk management, and access to markets while adhering to legal and regulatory requirements. By leveraging these structures, we aim to enhance operational efficiency and maximize value across our portfolio of ventures. For the period ended June 30, 2024, March 31, 2024 and March 31, 2023, the financial performance of our Company on a consolidated basis is as follows:

Particulars	<i>(₹ in lakhs)</i>		
	Quarter ended June 30, 2024	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from Operations	59,991.25 [^]	2,80,003.20	2,87,228.97
Other Income	1236.12 [^]	3,716.16	3,560.76
Profit / (loss) after tax	(1.74)*	3,675.67	6,646.00
Less: Profit/(loss) from Joint venture	(389.54)	(911.95)	(890.79)
Profit / (loss) for the year	(391.28)	2,763.72	5,755.21

[^]From continuing operations

*Includes loss after tax from the discontinued operations. For further details, please refer “**Financial Information**” beginning on page 103.

A substantial percentage of our consolidated revenue is derived from our Material Subsidiary, namely Hindware Limited which is engaged in the business of manufacturing, trading and selling of building products. For more details, please refer “**Our Business**” beginning on page 81.

Although we may not have complete direct control over the day-to-day operations of our subsidiaries and Joint Venture, our management team have requisite knowledge and talent to effectively oversee and allocate time and attention to each organization. This enables us to supervise their operations and assess their potential for development. In addition, we assess certain important issues at a collective level, while these organizations have independent resources to assist with their daily activities and decision-making. Furthermore, it is essential that we consistently enhance our cost controls, internal controls, and accounting and reporting systems to effectively support our varied business ventures. To effectively manage our diverse businesses, we must stay updated on important developments in each industry and location from where we operate. Additionally, we need to enhance our operational, financial, and management systems, improve the skills of our senior management, and provide ongoing training, motivation, and

supervision to our employees. Furthermore, these varied enterprises may encounter unique geographical, regional, macroeconomic, and financial obstacles that differ from the ones we are accustomed to. Any negative changes in their business operations or failure to meet their obligations could have a detrimental effect on our financial situation. For instance, (i) Our subsidiary, Evok Homes Private Limited has incurred losses during the financial year 2023-24 resulting in erosion of its net worth as at financial year ended March 31, 2024, and we cannot assure their positive future outlook with certainty; (ii) As on this Draft Letter of Offer, our Step-Down Subsidiaries, namely Trufflo Pipes Limited, Queo Bathroom Innovations Limited and Halis International Limited are not carrying any business as such and we cannot assure whether they would be in a position to effectively carry on the intended business on their own.

We have encountered financial setbacks in the past, and the prospect of losses in the future remains a possibility attributable to various factors, including market conditions, operational challenges, industry dynamics, investment and expansion risks, cost management, and global economic factors. Investors should exercise due diligence and carefully evaluate these factors before making investment decisions. Although the Company remains committed to addressing challenges through strategic initiatives, there is no assurance of unequivocal success in overcoming them. The investors are urged to exercise prudence and recognize that prior financial success is not indicative of guaranteed future profitability. Our industry's dynamic nature underscores the inherent uncertainties inherent in our financial performance. For further details on our profitability, see "**Financial Information**" on page 103.

9. We operate the business activities of water heaters and room heaters through a joint venture namely Hintastica Private Limited ("HPL") which may expose us to risks associated with such business.

We operate a Joint Venture, Hintastica Private Limited ("**HPL**") through which we sell water heaters and room heaters under the brand name '**Hindware Atlantic**'.

For business that we conduct through Joint Venture, we share ownership and management responsibility of the company with joint venture partner who may not have the same strategies, priorities or resources as us. HPL is intended to be operated for the benefit of all shareholders, rather than for our exclusive benefit. In addition, our investment in HPL is subject to risks that may not be present with other methods of ownership, such as:

- impasse on certain decisions because we do not have sole decision-making authority, which could require us to expend additional resources to resolve such impasses or potential disputes, including buy-outs, litigation or arbitration;
- inability to obtain or renew approvals and permits in a timely manner from the jurisdictions in which HPL operates;
- limited ability to transfer our interest in HPL to a third party owing to restrictions in the underlying Joint Venture agreement and limited market demand; and
- the joint venture partner failing to fund their share of required capital contributions or failing to fulfil their obligations, which may require us to infuse our own capital into the venture on behalf of the partner despite other competing uses for such capital.

While the underlying Joint Venture agreement addresses conflicts of interest, we cannot assure you that the joint venture partner will comply with the terms of such agreements, or that it will not have competing interests in our markets of operations. Any of the foregoing risks could adversely affect our business, results of operations and financial condition.

Our company may also explore restructuring the operations of HPL by raising more funds through equity or equity-linked instruments, taking on additional debt in HPL, selling part of our shareholding, or infusing more funds into HPL. However, we cannot assure that these actions will result in the desired benefits from the restructuring process.

10. Our inability to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our businesses may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our business operations are subject to various laws and regulations and require us to obtain and renew from time to time, approvals, licenses, registrations and permits. Certain consents, licenses, registrations, permissions and approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant Central or State government authorities for renewal of such licenses, consents, registrations, permissions and approvals or is in the process of making such applications. Consequently, failure or delay to obtain such approvals could have a material adverse effect on our business, financial condition and profitability. If there is any failure by us to comply with the applicable regulations

or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, be required to alter our manufacturing and/or procurement operations or otherwise suffer disruption in our activities, any of which could adversely affect our business. Further, we cannot assure you that we will be able to obtain registrations and approvals for new businesses we may enter into, in a timely manner or at all.

We may also be unable to fulfil the terms and conditions, subject to which such license and registration is granted. In the event we are not able to obtain such licenses and registrations, in a timely manner or at all, our business and growth strategy may be adversely impacted. There is no assurance that such license and registration will be granted to us in a timely manner or at all. The cost of procuring such licenses or the renewal of expiring licenses may be substantially higher than that estimated by us. Failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations. We may be required to temporarily halt our operations, shut down our manufacturing facilities, and face disruption to our business in the event we are unable to comply with the terms and conditions subject to which we are granted licenses, or if a regulator alleges that we have not complied with such terms and conditions.

We cannot assure you that we will not be exposed to proceedings against us in future, or that our licenses and approvals will not be revoked or suspended, or that we will not be subject to levy of fines, penalties or other action, which in turn may have a material adverse effect on our business, financial condition, cash flows and results of operations.

11. *Our international operations expose us to economic, regulatory, social and political risks, any of which could have an adverse effect on our business, results of operations and financial condition.*

We have operations in several countries through import and export, and have Subsidiaries in jurisdictions such as Mauritius and UK. Our global operations include importing of raw materials, traded goods and exporting of finished goods, and our business is therefore subject to diverse and constantly changing economic, regulatory and social and political conditions in the jurisdictions in which we operate. Operating in international markets exposes us to a number of risks globally including, without limitation:

- compliance with local business, environmental and safety laws and regulations including overseas investment regulations and overseas corporate laws, which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;
- dependence on governments, utility companies and other entities for telecommunications, transportation and other utilities or infrastructure needs;
- difficulties with local operating and market conditions, particularly regarding customs and taxation;
- changes in government regulations, policies, tax, subsidies and incentives, including transfer pricing rules;
- political risks, risks of expropriation and nationalization of assets, potential losses due to civil unrest, acts of terrorism and war, regional and global political or military tensions, strained or altered foreign relations and protectionism.

To the extent that our operations are affected by adverse economic, regulatory and, social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could adversely affect our business, results of operations and financial condition.

12. *We may not be able to derive the intended benefits from restructuring that we have undertaken, or may undertake in future.*

In 2019, we undertook restructuring initiatives to create a simpler organizational structure – (i) the Hon'ble National Company Law Tribunal, Kolkata Bench, by its order dated June 26, 2019, sanctioned the scheme of arrangement between AGI Greenpac Limited, our Company, Hindware Limited and their respective shareholders and creditors. Pursuant to the scheme, with effect from April 01, 2018, all the properties, assets rights and claims of AGI Greenpac Limited pertaining to CPDM Undertaking and the Retail Undertaking was demerged to our Company. Furthermore, with effect from April 01, 2018, all the properties, assets, rights and claims of AGI Greenpac Limited pertaining to trading of BPDM Undertaking was demerged to one of our subsidiaries namely Hindware Limited (formerly Brillloca Limited). (ii) A Business Transfer Agreement dated February 04, 2022 was executed between AGI Greenpac Limited and Hindware Limited for transfer of BPD Undertaking of AGI Greenpac Limited, as a going concern, on a slump

sale basis with effect from April 01, 2022. For more details and definitions, please refer to the chapter titled “**Our Business**” and “**Definitions and Abbreviations**” beginning on page 81 and 2 respectively.

We cannot assure you that we will be able to generate the expected benefits that we anticipated as a result of such restructuring.

- 13. *If we are unable to raise additional financing, our business, results of operations and financial condition could be adversely affected. Further, any movement in the market interest rates could have an effect on our net income or financial position.***

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure and manufacturing facilities. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks and the continued success of our operations and laws that are conducive to our raising capital. Any unfavorable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. Further, our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. Any changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities.

If we are unable to raise adequate financing in a timely manner and on acceptable terms, or at all, our business, results of operations and financial condition could be adversely affected as the debts continue. Further, in the event of a breach of relevant terms of our financing arrangements, we may be required to seek waivers of such breaches, including cross defaults arising from the breach of relevant covenants. We cannot assure you that we will be able to obtain such waivers on satisfactory terms, or at all, and the relevant lenders could, inter-alia, impose penal and default interests, accelerate the maturity of our obligations and declare all amounts payable in respect of the facility to be due and payable immediately or otherwise on demand. In the event of any such acceleration, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash, or if required, sale of our assets. Further, during any period in which we are in default, we may be unable to obtain further financing or any refinancing of our debt could be at higher rates with more onerous covenants.

- 14. *An inability to expand or manage our marketing and distribution network for our businesses or the loss of any significant dealer may adversely affect our business growth.***

We sell our consumer products (kitchen appliances, water heaters, air coolers etc.) to customers through our large distribution network of dealers and sub-dealers across India. We enjoy a vast network of 1,300+ distributors and 14,000+ retail outlets across India.

Similarly, our subsidiaries, also enjoy a widespread distribution network across India for sanitaryware, faucets, tiles, and pipe and fittings. The competition for dealers, sub-dealers and online platform is intense in our industry and many of our competitors continue to expand their distribution networks. There can be no assurance that we will be able to successfully expand, maintain or manage our large distribution network and strengthen our relationship with our significant dealers in the future. If we lose any of our dealers or sub-dealers to competitors, we may lose some or all favorable arrangements with such dealers or sub-dealers, and could result in weakening or termination of our relationships with other dealers and sub-dealers. We may also not be able to effectively manage our dealers and sub-dealers and the cost of any consolidation or further expansion of our distribution network may exceed the additional revenue generated from such efforts. Furthermore, the performance of our dealers and sub-dealers and their ability to sell our products, strengthen our brand and expand their businesses and their sales network are crucial for the future growth of our business and would directly affect our sales volume and profitability. An inability to develop and maintain our relationship with key dealers by providing new and quality products, effective branding and marketing for such products, attractive commercial arrangements, or effective training and network support for dealers, may result in the loss of key dealers. There can be no assurance that we will be able to maintain or increase the historic levels of business from our key dealers, or that we will be able to immediately and successfully replace these key dealers at terms acceptable to us, should we lose any or all of them. Any loss of such key dealers may adversely affect our businesses, results of operations and financial condition. While we intend to continue to expand our operations and marketing efforts, we may not be able to sustain growth levels, and may not be able to leverage our experience in our existing markets in order to grow our business in new markets. An inability to effectively manage our expanded operations or pursue our growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

- 15. *Continued operations of our Company and subsidiaries are critical to our business. Any disruption in the operation of the warehouses might adversely affect our business, results of operations and financial condition. The loss of, or shutdown of, our operations at the manufacturing units and warehouses of subsidiaries will adversely affect their business, financial condition and results of operations.***

The manufacturing units of our subsidiary namely Hindware Limited, including warehouses and our Company's godowns and warehouses are prone to unexpected changes in regulatory landscapes, local social unrest, natural disaster or breakdown of services and utilities and might have material adverse effect on the business, financial position and results of our collective operations. These manufacturing units and warehouses are subject to operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event, we are forced to shut down these manufacturing units and warehouses for a prolonged period; it would adversely affect our earnings, our other results of operations and financial condition as a whole. Spiraling cost of living around these units may push the manpower costs in the upward direction, which might reduce our margin and cost competitiveness. These manufacturing, processing and other business activities might be subject to unexpected interruptions, including natural or man-made disasters. These facilities and operations might be adversely affected by, among other factors, breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labor disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accidents and the need to comply with the directives of relevant government authorities.

- 16. *We have not entered into long term contracts, with the suppliers/vendors of the products processed, marketed and sold by us. Our inability to obtain and/or source our raw materials and/or products from our suppliers/vendors in a timely manner, in sufficient quantities and/or at competitive prices could adversely affect our operations, financial condition and/or profitability.***

If our suppliers/vendors are unable to supply the products including specific raw materials / chemicals that are processed, marketed and sold by us, in sufficient quantities, or there is a loss of one or more significant suppliers/vendors, our ability to obtain said products at competitive rates could be adversely affected. In such event, our cost of purchasing such products from alternate sources could be higher thereby adversely affecting our operating margins and results of our operations. Further, we do not enter into long term agreements with the suppliers/vendors of the products processed, marketed and sold by us. Furthermore, we are also dependent on a few identified suppliers for sourcing major portion of our traded and manufactured goods. Any severance of our relations with these suppliers and/or vendors could adversely affect our operations and profitability.

- 17. *A failure of our internal controls over financial reporting may have an adverse effect on our business, cash flows and results of operations.***

We are responsible for establishing and maintaining adequate internal control measures commensurate with the size and complexity of our operations. Our internal audit functions are equipped to make an evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal control guidelines. We are exposed to operational and financial risks arising from the potential inadequacy or failure of internal processes or systems in our businesses, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness.

For example, in our bathware business, a failure in internal controls may lead to errors in inventory management, inaccurate pricing of products, or delays in order fulfillment due to supply chain disruptions. Such failures could result in financial misstatements, improper billing, or discrepancies in customer data, all of which could adversely affect our business operations and customer relationships.

Failures or material weaknesses in internal controls may lead to incidents of fraud. We cannot assure you that we will be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, cash flows, results of operations and financial condition.

18. *Our dependence on suppliers, import restrictions, and fluctuations in freight rates may adversely affect our business, operations, and financial condition.*

We are dependent on various suppliers, both domestic and international, for the procurement of goods for trading and raw materials & other supplies for manufacturing. Any disruption at the supplier's end, including operational issues, regulatory restrictions, import bans, or delays in obtaining necessary clearances, could adversely affect our ability to procure these goods in a timely manner. Additionally, a significant portion of our purchases are imports, making us susceptible to fluctuations in freight rates, currency exchange rates, and international trade policies. Any increase in freight costs or restrictions on imports could lead to higher procurement costs or delays in product availability, which may negatively impact our business operations, profitability, and overall performance.

19. *We do not own our registered office and corporate office. Also, some of our premises are located on leased premises, and our operations may be materially and adversely affected if we are unable to continue to utilize any one or more of these.*

Our Registered office situated at 2, Red cross Place, Kolkata, West Bengal, India, 700001 is not owned by us. This property is taken on sub-lease by AGI Greenpac Limited, our group company, from a third party which is not related to us, for a period of 75 years. However, the Deed is not registered. Although our Company has taken No-Objection Certificate for use of our registered office, we have not entered into any Lease, Leave and License or Rent Agreement for use of such premise as our Registered Office. Further, as we have not entered into Leave and License or Rental agreements, we cannot assure you that we will be able to enter into the above arrangement on commercially acceptable/favorable terms in the future and may be asked to vacate the premises forthwith. If we are required to vacate the registered office, we would be required to make alternative arrangements for the new office and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable or favourable terms.

Our Corporate office situated at Unit No 201 (i), (ii), (iiiA), (XVI) 2nd Floor, BPTP Park Centra, Sector-30, NH-8, Gurugram-122001 is neither owned by us. We have entered into a Lease Deed for use of such premise as our Corporate Office. If the lease deed is terminated, we will have to relocate our business operations which may cause disruption in our operations or might have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Furthermore, some of our offices, manufacturing plants, branches, retail stores, showrooms, service centres, brand display centres and other facilities are taken on leased / rented basis or located on leasehold lands, for which we have entered into lease / rental arrangements. If we are unable to continue to use such premises or extend such lease / rental arrangements on its expiry on commercially acceptable terms, or at all, we may suffer a disruption in our operations which could have a material and adverse effect on our business, results of operations and financial condition. Also, some of our plants are located on the leasehold land and there could be some issues in the future, which may adversely affect our business and operations. In addition, it is also possible that some of these leases may not have been registered, which may affect the evidentiary value of such lease agreement in specific performance or other injunctive procedures in a court of law.

20. *We rely heavily on our brands and negative publicity or dilution of these brands could adversely affect our business, results of operations and financial condition.*

Our businesses are significantly dependent on the strength of our brands and reputation, as well as market perception regarding our operations. Our product portfolio spans various brands such as 'Hindware Smart Appliances', 'Hindware', 'Queo by Hindware', 'Hindware Italian Collection', 'Hindware Italian Tiles Collection', 'Truflo by Hindware' and 'Hindware Atlantic'. We believe that continuing to develop awareness of our brands, through focused and consistent branding and marketing initiatives, among retail consumers and institutional customers, is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets.

Litigation, employee misconduct, operational failures, regulatory investigations, press speculation and negative publicity, whether actual, unfounded or merely alleged, could damage our brands and our reputation and confidence of customers. Negative publicity could be based, for instance, on allegations that we have failed to comply with regulatory requirements or result from failure in business continuity, insufficient transparency, administration of claims or alleged employee misconduct. In addition, there may be attempts by individuals unconnected with us, to fraudulently purport to sell our products to consumers. It is possible that the success or attempt of such frauds, illegally using our branding, may damage our reputation and perceived trustworthiness. Decrease in product quality due to reasons beyond our control or allegations of product defects, even when false or unfounded, could tarnish the image of the established brands and may cause consumers to choose other products.

As some of our products and brands are endorsed by celebrities, any negative publicity affecting celebrities who have endorsed our products and/or brands may impair our reputation and adversely affect our business in the aftermath of such negative publicity, even if temporary. Our branding and marketing initiatives may be diluted by conflicting actions or comments of celebrities who have endorsed our products and/or brands. We may also need to change our marketing strategies if there is negative publicity regarding brands we collaborate with. Any damage to our brand or our reputation may result in loss of existing customers or distribution partners as well as loss of new business from potential customers. Further, negative publicity may result in an increase in regulatory scrutiny of industry practices, influence market perception of our business and affect our ability to maintain our credit ratings. Accordingly, any harm to our brand and reputation may have an adverse effect on our business, results of operations and financial condition.

21. *In the event our marketing initiatives do not yield intended results our business and results of operations may be adversely affected.*

We believe that the recognition and reputation of our brands has contributed to the growth of our business as a whole. We intend to continue to enhance the brand recall of our products through the use of targeted marketing and public relations initiatives. In order to maintain and enhance such recognition and reputation, we may be required to invest significant resources towards marketing and brand building exercises, specifically with respect to new products we launch or for geographic markets where we intend to expand our operations.

We incur advertising and marketing expenses to increase brand recall and capture additional demand, and in the event they do not yield their intended results, or we are required to incur additional expenditures than anticipated, our business and results of operations might be adversely affected.

22. *This Draft Letter of Offer contains information from the publicly available information. There can be no assurance that such third-party statistical, financial, and other industry information is either complete or accurate.*

We have sourced information related to our industry from the publicly available information. Neither we nor the Lead Manager or their associates or affiliates, nor any other person connected with the Issue has verified the industry-related information referred to in this Draft Letter of Offer and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Industry and government sources and publications may also base their information on estimates, forecasts, and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information.

We have neither commissioned an industry report, nor sought consent for the disclosures which need to be made in the chapter titled “**Industry Overview**” of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company.

23. *Our Directors and Promoters are interested in our business other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Directors and Promoters may be interested in our business, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company and in relation to certain transactions entered into with our Promoters. We cannot assure you that such Directors or Promoters will exercise their rights as shareholders to the benefit and best interest of our Company.

24. *We are dependent on our Directors, Key Managerial Personnel and Senior Management. Any loss of our inability to attract or retain such persons could adversely affect our business, results of operations, cash flows and financial condition.*

We are dependent on our Directors and other Key Managerial Personnel, Senior Management for setting our strategic business direction and managing our business. We believe that the inputs and experience of our Directors, Key Managerial Personnel and Senior Management are valuable for the development of our business and operations and the strategic directions taken by our Company. We cannot assure the shareholders that we will be able to retain them or find adequate replacements in a timely manner, or at all. Any loss or interruption in the services of our Directors, Key Management Personnel or Senior Management could significantly affect our ability to effectively manage our operations and to meet our strategic objectives. Our ability to meet continued success and address future business

challenges depends on our ability to attract, recruit, train and retain experienced, talented and skilled professionals. Further, as we expect to continue to expand our operations, we will need to continue to attract and retain experienced management personnel. The loss of the services of any key personnel, our inability to recruit or train a sufficient number of experienced personnel, or our inability to manage the attrition levels in different employee categories, may have an adverse effect on our financial results and business prospects.

- 25. *Our Company's ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Any inability to declare a dividend may adversely affect the trading price of our Equity Shares.***

Our Company has incurred loss in FY 2023-24 on standalone basis and our Company may not be able to declare dividends in the future. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and / or approved by the shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. Realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

Additionally, under the Finance Act, 2020, dividend distribution tax is not payable in respect of dividends declared, distributed or paid by an Indian company after March 31, 2020, and accordingly, any dividend payments to our resident and non -resident shareholders would not be tax exempt in their hands.

- 26. *Our inability to service our debt in a timely manner may have an adverse effect on our results of operations and financial condition.***

A continued downturn in the business cycle may put a strain on our cash flow, such that we may not be able to generate sufficient cash required to pay its principle or interest obligations in respect of its borrowings. Our inability to service our debt on time may have other consequences for our business results & operations, requiring us to dedicate a portion of its cash flow from operations to servicing the indebtedness, limiting our ability to borrow additional amounts and materially impacting the Company's ability to invest in future growth opportunities.

- 27. *Terms of our financing agreements could adversely affect our financial condition and operations.***

Our financing agreements contain conditions and restrictive covenants that *inter-alia* require us to obtain consents from respective lenders prior to carrying out certain activities and to maintain financial ratios at all times. Further, the debt is secured by hypothecation of specified assets. The security could be invoked by the lenders in the event of default.

- 28. *Increases in interest rates may materially impact our results of operations.***

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates. Although we may engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

- 29. *Any downgrade of external credit rating may materially impact our results of operations.***

Our Company's long terms bank facilities are rated CARE A; Stable (Single A; Outlook: Stable) and short terms bank facilities are rated CARE A1 (A One) by CARE Ratings Limited. Any downgrade in the credit ratings could adversely affect the ability of our Company to raise additional financing and also adversely affect the interest rates and other commercial terms at which such additional financing is available.

30. ***Our operations require adequate working capital. Our inability to meet short term liquidity requirement or obtain and/or maintain sufficient cash flow and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital, could adversely affect our operations, financial condition and profitability.***

Our business requires a significant amount of working capital. As per our settled business terms, we require our customers to pay the full amount of the consideration only after they receive the order, as a result, significant amounts of our working capital are often required to finance the purchase of raw material and traded goods and execution of manufacturing processes before payment is received from our customers. Furthermore, we are also required to meet the increasing demand and for achieving the same, adequate stocks are required to be maintained which requires sufficient working capital. In the event, we are unable to source the required amount of working capital for addressing such increased demand of our products, we might not be able to efficiently satisfy the demand of our customers. Even if we are able to source the required amount of funds, we cannot assure you that such funds would be sufficient to meet our cost estimates and that any increase in the expenses will not affect the price of our products.

Any delay in processing our payments by our customers may increase our working capital requirement. Further, if a customer defaults in making payments for a product on which we have devoted significant resources, it could affect our profitability and liquidity and decrease the reserves that are otherwise available for other uses. We may file a claim for compensation of the loss that we incurred pursuant to such defaults but settlement of disputes generally takes time and financial and other resources, and the outcome is often uncertain. In general, we make provisions for bad debts, including those arising from such defaults based primarily age of the debt and other factors such as special circumstances relating to special customers. There can be no assurance that such payments will be remitted by our clients to us on a timely basis or that we will be able to effectively manage the level of bad debt arising from defaults. We may also have large cash outflows, including among others, losses resulting from environmental liabilities, litigation costs, adverse political conditions, foreign exchange risks and liability claims.

All of these factors may result, in increase in the amount of receivables and short-term borrowings. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

31. ***Our inability to accurately forecast the volume of demand, or price for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.***

Our businesses depend on our estimate of the demand for our products from consumers. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture or purchase fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly plan our production volumes, there may be positive bias (with forecast being higher than actual sales), which could result in a reduction in our profits and the existence of surplus stock, which may result in additional storage cost and such surplus stock may not be fully liquidated in a timely manner. At times when we overestimate demand, we may incur costs to build capacity or purchase more raw materials and manufacture more products than required. This may result in our working capital being tied up in inventory for a longer period of time than anticipated. An inability to effectively plan and manage inventory turnover may result in excess or insufficient inventory or fulfilment capacity, resulting in increased costs and impairment charges. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

32. ***We are subject to risks associated with product warranty, recall and product liability due to defects in our products, which could generate substantial claims, adverse publicity or adversely affect our business, results of operations or financial condition.***

Defects, if any, in our products could require us to undertake service actions or product recalls. These actions could require us to expend considerable resources in correcting these problems and could adversely affect demand for our products. Repeated warranty claims could adversely affect results of our operations. Management resources could also be diverted from our business towards defending such claims. As a result, our business, result of operations and financial condition could suffer. We cannot assure you that the limitations of liability set forth in our contracts will be enforceable in all instances or will otherwise protect us from liability for damages.

33. *Any failure to maintain quality of our customer service and deal with customer complaints could adversely affect our market reputation, business and operating results.*

Our business is significantly affected by the overall size of our customer base, and this customer base is determined by our ability to provide quality customer service, among other things. If we fail to provide quality customer service, our customers may be less inclined to buy our products, avail our services, or recommend us to new customers, and may choose to transact with our competitors. Failure to maintain the quality of customer services or satisfactorily resolve customer complaints, could harm our reputation and our ability to retain existing customers and attract new customers. Further, negative customer feedback, complaints or claims against us in consumer forums or otherwise, can result in diversion of management attention and other resources, which may adversely affect our business operations, brand name and market reputation. We may, from time to time, be involved in litigation involving customer claims, which may also invite regulatory actions against us.

34. *Fluctuation in the exchange rate between the Indian rupee and foreign currencies, and within foreign currencies may have an adverse effect on our business, results of operations and financial condition.*

We operate in various geographies and are exposed to foreign exchange risk on our currency exposures. We are exposed to transactional and translation foreign exchange risks.

Transactional risk relates primarily to our Company's operating activities, which consist of payable and receivable exposures arising out of imports and exports respectively. We also have exposure in our overseas Step-Down Subsidiaries. Any volatility in the currency exchange movement affecting our operations in India and internationally can have an impact on our business and results of operations. Translation risk emanates from the items included in the financial statements of our Company which are measured using Indian Rupees, our functional currency. We are therefore subject to exchange rate volatility and translation risk arising from foreign currency transactions being translated into Indian rupees for the purposes of our consolidated financial statements. While our Company executes proper hedging techniques to manage these risks, we cannot assure you that we will be able to successfully hedge our foreign currency exposure. The risk emanating from exchange rate requires us to establish risk management practices including hedging arrangements using derivatives, such as foreign exchange forward contracts and options. However, any policy change by RBI from time to time may limit our ability to effectively hedge our foreign currency exposures.

If we fail to navigate foreign currency risks, our business, results of operations and financial condition may be adversely affected.

35. *Our inability to protect or use our trademarks may adversely affect our business.*

We believe that our Company's trademarks are significant to our business and operations. The use of our trademarks by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. As on date of this Draft Letter of Offer, our company has 46 opposed trademarks, one abandoned trademark and one refused trademark. Furthermore, there are 40 trademarks registered and one opposed trademark in the name of AGI Greenpac Limited (formerly HSIL Limited) and one opposed trademark in the name of Evok Homes Private Limited (Hindware Home Retail Private Limited), which are used by and pending for transfer to, our Company. For further details, see "**Our Business**" on page 81. Our inability to maintain these registrations or transfer registrations from AGI Greenpac Limited or Evok Homes Private Limited may adversely affect our competitive business position, affect our brand value and consequently have an adverse effect on our business, results of operations and financial condition.

36. *We face competition in our business from domestic & international competitors. Such competition would have an adverse impact on our business and financial performance.*

The industry, in which we are operating, is highly and increasingly competitive and may be materially adversely affected by, competitive pricing and other factors. Competition may result in pricing pressures, reduced profit margins or lost market share or a failure to grow our market share, any of which could substantially harm our business and results of operations. There can be no assurance that we can effectively compete with our competitors in the future, and any such failure to compete effectively may have a material adverse effect on our business, financial condition and results of operations. We may face competition in the consumer durables industry from large and small players. On the other hand, in the sanitaryware and pipes industry, we may face competition from organized and unorganized market players. Similarly, there are many international and domestic organized and unorganized players in the building material industry from whom our subsidiaries may face competition.

37. *Certain of our products are subject to seasonal variations that could result in fluctuations in our results of operations.*

Certain of our products (like water heaters and air coolers etc.) are subject to seasonal variations, primarily due to increased usage patterns of some products or derivatives in the summer and/or winter seasons in India. As a result, a substantial share of the income we derive from these products is based on weather periods. Because of seasonal fluctuations, our sales and results of operations may vary by fiscal quarter and the sales and results of operations of any given fiscal quarter may not be relied upon as indicators of the sales or results of operations of other fiscal quarters or of our future performance.

38. *Our inability to maintain an optimal level of inventory may impact our operations adversely.*

We estimate our sales based on the forecast, demand and requirements for the forthcoming season. In general, the orders are placed a few months before the actual delivery of products in the stores. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products at our stores. We may not be able to procure an alternate source of supply of products in time to meet the demands of our customers, or we may not be able to procure products of equal quality or on equally competitive terms, or at all. Such disruption to supply would materially and adversely affect our business, profitability and reputation. In addition, disruptions to the delivery of products to our distribution centres and stores may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products.

Although there are checks to avoid under-stocking and over-stocking, our estimates and forecasts are not always accurate. If we over-stock inventory, our capital requirements will increase and we will incur additional financing & associated inventory carrying costs including the risk of high obsolescence of inventory due to rapid technology changes, change in designs, tastes and fashion. Any fast product turnovers may also burden our inventory excessively. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

39. *We are subject to risks associated with expansion into new geographic regions.*

Expansion into new geographic regions, including different states in India, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of tax, laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- uncertainties with new local business partners;
- ability to understand consumer preferences and local trends in such new regions;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

40. *We may not be successful in maintaining and enhancing awareness of our brands. Any fall in our brand's reputation may adversely affect our business, results of operations and prospects.*

We believe that our bouquet of brand names command strong brand recognition due to its long presence in the markets in which we operate. Our success depends on our ability to maintain the brand image of our existing products and effectively build our brand image for new products and brand extensions. Decrease in product quality due to reasons beyond our control or our inability to identify current trends and rollout innovations or allegations of product defects and misbranding could tarnish the image and may cause customers to choose other products. Further, there can be no

assurance that our established brand name will not be adversely affected in the future by events that are beyond our control.

41. *Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations, financial condition and cash flows.*

We maintain insurance policies for our various businesses that we own and operate in, which cover losses, including those arising from Fire, Burglary, accidental damages, cyber-attacks. With respect to losses which are covered by our policies, it may be difficult and may take us time to recover such losses from insurers. In addition, we may not be able to recover the full amount of losses from the insurer.

We could also be held liable for accidents that occur or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people on our premises, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, or which is not covered by insurance, or which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

42. *Our results of operations could be adversely affected by strikes, work stoppages or increased salary demands by our or suppliers' employees.*

While we have not experienced any significant employee related issues in the past, there can be no assurance that we will not in the future experience any strikes, work stoppages or other industrial actions or that these situations will not disrupt our business and operations. In the event that we are unable to manage any employee related issues or negotiate any settlement with our employees on acceptable terms, it could result in strikes, work stoppages or increased operating costs as a result of higher than anticipated salary or benefits, which may adversely affect our business prospects, reputation, and results of operations.

In addition to the risks associated with our employees, we may also be affected by strikes, work stoppages, or increased salary demands by employees at the locations or plants of our suppliers from whom we purchase goods for trading or raw material for manufacturing. Any disruptions at these supplier facilities due to labor issues could impact the availability of products, delay supply, or increase the cost of goods, which may adversely affect our ability to fulfill customer demands, potentially impacting our business operations, profitability, and reputation.

43. *We are dependent on information technology systems in carrying out our business activities and it forms an integral part of any business. Further, if we are unable to adapt to technological changes and successfully implement new technologies or if we face failure of our information technology systems, we may not be able to compete effectively which may result in higher costs and would adversely affect our business and results of operations.*

We are dependent on our information technology system in connection with carrying out our business activities and running our manufacturing facilities and such systems form an integral part of our business. Any failure of our information technology systems could result in interruptions in manufacturing activities, and also the loss of our customers, loss of reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations. Additionally, our information technology systems may be vulnerable to computer disruptive problems. These problems could lead to disruptions in our business activities. Fixing such problems may require interruptions, delays or temporary suspension of our business activities, which could adversely affect our operations. Such breaches of our information technology systems may require us to incur further expenditure. Further, the commercial success of our business is highly dependent on the developmental and innovative breakthroughs of our design division. In the event, any breach of our systems or software leads to the leaking of our designs or any inventive design techniques devised by our Company, it might lead to loss of our originality in the market and increase the chance of our products being substituted by the products of our competitors. Our future success depends in part of our ability to respond to technological advancements and emerging standards and practices on a cost-effective and a timely basis. Our failure to successfully adopt such technologies in a cost-effective manner could increase our costs thereby compelling us to bid at lower margins which might lead to loss of bidding opportunities vis-à-vis such competitors. Additionally, the government authorities may require adherence with certain

technologies and we cannot assure you that we would be able to implement such technologies in a timely manner or at all. The cost of upgrading or implementing new technologies or upgrading our existing equipment or expanding our capacity could be significant, less cost effective and therefore could negatively impact our profitability, results of operations, financial condition as well as our future prospects.

EXTERNAL RISK FACTORS

44. *Our business, results of operations and cash flows is substantially affected by prevailing economic, political and other conditions in emerging and global markets.*

The Indian economy and securities markets are influenced by economic, political and market conditions in India and globally, including adverse geopolitical conditions. We are incorporated in India, and a substantial amount of our operations are located in India and overseas. As a result, we are highly dependent on prevailing economic conditions in India and the other emerging and global markets and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions;
- prevailing income conditions among consumers and corporates;
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges;
- changes in tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in the region or globally;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in the relevant country's principal export markets;
- any downgrading of debt rating by a domestic or international rating agency;
- instability in financial markets;
- disruption of supply chain and logistics arrangements; and
- other significant regulatory or economic developments in or affecting India or the emerging and global markets.

In addition, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging and global market, or in specific sectors of such economies, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

45. *Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

46. *Natural calamities, climate change and health epidemics and pandemics such as COVID-19 could adversely affect the economy of countries globally and our business, financial condition and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.*

Several countries have experienced natural calamities, such as earthquakes and floods in recent years. Natural calamities could have an adverse impact on the global economy which, in turn, could adversely affect our business, and may damage or destroy our borrowers' assets or projects. Any of these natural calamities could adversely affect our business, results of operations and financial condition. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, had caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

47. *Changing laws, rules and regulations and legal uncertainties may adversely affect our business, prospects, results of operations and cash flows. Further, failure to comply with the existing laws and regulations applicable to our business could subject our Company to enforcement actions and penalties and otherwise harm our business.*

In India, our business is governed by various laws and regulations including, amongst others, the Food Safety and Standards Act, 2006, the Legal Metrology Act, 2009, the Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and various laws relating to employment. Environmental laws and regulations have been increasing in stringency and it is possible that they will become significantly more stringent in the future. For instance, our company faces risks related to compliance with Reserve Bank of India (RBI) regulations on foreign outward remittances and foreign inward remittances associated with imports and exports. Any failure or alleged failure to comply with the applicable laws, regulations or requirements could subject us to inspection, enforcement actions and penalties imposed by authorities.

Our business could be adversely affected by any change in laws or interpretation of existing laws, or promulgation of new laws, rules and regulations applicable to us. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations and cash flows. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

48. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- hostile or war like situations with the neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and

- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

49. *In the event we undertake future acquisitions, mergers or similar corporate actions, we may potentially be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business, results of operations and financial condition.*

The Competition Act, 2002 (“**Competition Act**”) was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition (“**AAEC**”) is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations (“**Combination Regulations**”) require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us in future could be within the purview of the Competition Act. Further, the Competition Commission of India has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India.

The Competition (Amendment) Act, 2023 (“**Competition Amendment Act**”) was notified on April 11, 2023, which amends the Competition Act and gives the CCI additional powers to prevent practices that harm competition and the interests of consumers. These amendments include the introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a “combination”, expedited merger review timelines, codification of the lowest standard of “control” and enhanced penalties for providing false information or a failure to provide material information. Such amendment to the Competition Act will result in additional costs for compliance, which in turn may adversely affect our business, results of operations, cash flows and prospect.

50. *Companies operating in India are subject to a variety of taxes and surcharges.*

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty, tax on dividends and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business, cash flows and results of operations.

51. *Fluctuation of the Rupee against foreign currencies may have an adverse effect on the price of the Equity Shares.*

Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity shareholders. For example, the exchange rate between the Rupee and the U.S. Dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

52. *Any downgrade in debt ratings of India by an independent agency, may affect our financial performance and the trading price of the Equity Shares.*

India’s sovereign debt rating could be downgraded by domestic or international rating agencies due to several factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, all which are outside the control of our Company. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India’s credit ratings for domestic and overseas debt by

international rating agencies may adversely impact the exchange rates of all major currencies with the Indian Rupee as well as our ability to raise additional external financing, and the interest rates and other commercial terms of such additional external financing. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

53. *Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.*

The Unaudited and Audited Consolidated Financial Statements included in this Draft Letter of Offer have been prepared in accordance with Ind AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, as per the SEBI ICDR Regulations included in this Draft Letter of Offer, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should be limited accordingly.

54. *Rights of shareholders under Indian laws may differ to those under the laws of other jurisdictions.*

Indian laws and legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law, including in relation to class actions, may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

RISKS RELATING TO RIGHTS ISSUE

55. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

Our Company has opened a separate demat suspense escrow account (namely, "[●]") ("**Demat Suspense Account**") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("**IEPF**") authority; or which of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed/ suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons.

Our Company shall credit the Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are required to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. In the event that the Eligible Equity Shareholders are

not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner and such lapsing of Rights Entitlement may dilute and adverse impact the interest of certain Eligible Equity Shareholders. For details, please see “*Terms of the Issue*” on page 209.

56. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.*

Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see “*Objects of the Issue*” on page 52. However, the deployment of the Gross Proceeds will be monitored by the Monitoring Agency.

57. *If our Company does not receive the minimum subscription of 90% of the total Issue Size, the Issue may fail.*

In the event our Company does not receive the minimum subscription of 90% of the total Issue Size or the subscription level falls below 90% of the total Issue Size after the Issue Closing Date on account of withdrawal of Applications or technical rejections or any other reason, our Company shall refund the entire subscription amount received not later than four days from the closure of the Rights Issue or any other period may be prescribed under applicable law. In the event there is a delay in making a refund of the subscription monies, our Company shall be required to pay interest for the delayed period at such a rate prescribed under applicable law. However, the risk factor is associated pertaining to right issue is to achieve the minimum subscription by the Company from its shareholders as the allotment of shares are only in dematerialisation form by the Company and physical shares required to be converted in dematerialised form for right entitlement. For further details, please see “*Minimum Subscription – General Information*” beginning on page no. 46.

58. *The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Rights Equity Shares until they provide details of their demat account and Rights Equity Shares are transferred to such demat account from the demat suspense account thereafter.*

In accordance with the SEBI ICDR Master Circular, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar no later than two clear Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further information, see “*Terms of the Issue*” on page 209.

59. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations or financial condition, or other events affecting the Applicant’s decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of our Equity Shares will not decline below the Issue Price. To the extent the market price for our Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete

the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

60. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure of completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "*Terms of the Issue*" on page 209.

61. *Our Company will not distribute the Letter of Offer and other Issue related materials to overseas shareholders who have not provided an address in India for service of documents.*

We will not distribute the Issue Material to the shareholders who have not provided an address in India for service of documents. The Issue Material will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. In the case that Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in the case that such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Issue Material in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its shareholders to provide an address in India for the purposes of distribution of Issue Material, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject our Company to fines or penalties.

62. *Overseas shareholders may not be able to participate in the Company's future rights offerings or certain other equity issues.*

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to overseas holders of the Equity Shares or in disposing of such rights for the benefit of such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for the Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

63. *Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.*

Investors can start trading the Rights Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Rights Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Rights Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

64. Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.

Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further equity shares or that the shareholders will not dispose of, pledge, or otherwise encumber their equity shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

65. The Rights Equity Shares may experience price and volume fluctuations.

The market price of the Rights Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the stock exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Rights Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Rights Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

66. No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Rights Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Rights Equity Shares may not track the trading of Equity Shares.

67. Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between nonresidents and residents and issuances of shares to non-residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required. We have undertaken or recorded such transactions in the past based on a bona fide interpretation of the law. We cannot assure you that our interpretation would be upheld by the Indian regulators. Any change in such interpretation could impact the ability of our Company to attract foreign investors.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

68. *Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.*

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of our Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. In accordance with the provisions of the Companies Act the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company. Further, Section 106(1) of the Companies Act states that the articles of a company may provide that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the company has exercised any right of lien.

69. *You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares.*

Under the current Indian Income Tax provisions, all transactions of purchase and sales of securities on Indian stock exchanges are subject to levy of securities transaction tax (STT) which will be collected by respective stock exchange on which the securities are transacted. Accordingly, the Indian Income Tax Act has special capital gains tax provisions for all transactions of purchase and sale of equity shares carried out on the Indian Stock Exchanges. Under the current Indian Income Tax provisions, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India.

70. *Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by the company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

SECTION IV: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on September 02, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors / Rights Issue Committee of our Board at its meeting held on [●], 2024.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” beginning on page no. 209 of this Draft Letter of Offer.

Rights Equity Shares being offered by the Company	Up to [●]* Rights Equity Shares
Rights Entitlement	[●] Rights Equity Shares for every [●] fully paid-up Equity Share held on the Record Date*
Record Date	[●]
Face value per Equity Share	₹ 2 (Rupees Two only)
Issue Price per Rights Equity Share	₹ [●] per Rights Equity Share of face value ₹2 each (including a premium of ₹[●] per Rights Equity Share)
Dividend	Such dividend, in proportion to the amount paid-up on the Rights Equity Shares, as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law.
Issue Size	Up to ₹ 25,000 Lakhs*
Equity Shares issued, subscribed, paid up and outstanding prior to the Issue	7,22,96,395 Equity Shares. For details, see “ <i>Capital Structure</i> ” beginning on page 50.
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares of face value ₹2 each
Security Codes for the Equity Shares	ISIN for Equity Shares: INE05AN01011 NSE: HINDWAREAP BSE: 542905
ISIN for Rights Entitlements	[●]
Terms of the Issue	For further information, see “ <i>Terms of the Issue</i> ” beginning on page 209.
Use of Issue Proceeds	For further information, see “ <i>Objects of the Issue</i> ” beginning on page 52.
Terms of payment	The full amount of the Issue Price being ₹ [●] will be payable on application.

**Assuming full subscription in the Issue, Allotment and receipt of subscription moneys with respect to the Rights Equity Shares.

For details in relation to fractional entitlements, see “*Terms of this Issue – Fractional Entitlements*” on page 225.

GENERAL INFORMATION

Our Company was originally incorporated as “*Somany Home Innovation Limited*” on September 28, 2017, as a public limited company limited by shares under the Companies Act, 2013 pursuant to a certificate of incorporation dated September 28, 2017 issued by the Registrar of Companies, Central Registration Centre. Subsequently, the name of our Company was changed to “*Hindware Home Innovation Limited*” and a fresh certificate of incorporation consequent on change of name dated May 23, 2022 under the Companies Act, 2013 was issued by the Registrar of Companies, Kolkata.

BRIEF OF COMPANY AND ISSUE INFORMATION	
Name, CIN & Registration Number	HINDWARE HOME INNOVATION LIMITED CIN: L74999WB2017PLC222970 Registration Number: 222970
Registered Office	2, Red Cross Place, Kolkata, West Bengal, India, 700001
Corporate Office	Unit No 201 (i), (ii), (iiiA), (XVI) 2nd Floor, BPTP Park Centra, Sector-30, NH-8, Gurugram-122001
Address of Registrar of Companies	Registrar of Companies, Kolkata Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata-700020, West Bengal.
Designated Stock Exchange	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001, Maharashtra
Company Secretary and Compliance Officer	Ms. Payal M Puri Hindware Home Innovation Limited Unit No 201 (i), (ii), (iiiA), (XVI) 2nd Floor, BPTP Park Centra, Sector-30, NH-8, Gurugram-122001 Tel: +91 124 4779200 E-mail: investors@hindwarehomes.com
Statutory Auditor of the Company	Lodha & Co LLP, Chartered Accountants 12, Bhagat Singh Marg, New Delhi – 110001, India Contact Person: Mr. Shyamal Kumar Designation: Partner Membership No: 509325 Tel: +91 – 11 – 2372 2568 – 43724462 E-mail: delhi@lodhaco.com Firm Registration No: 301051E/E300284 Peer Review Certificate No: 016523

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND THE COMPANY:

LEAD MANAGER	REGISTRAR TO THIS ISSUE
FINSHORE MANAGEMENT SERVICES LIMITED “Anandlok”, Block-A, 2 nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal Tel: +91 33 22895101 / +91 33 4603 2561 Email: info@finshoregroup.com Investor Grievance Email: investors@finshoregroup.com Website: www.finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 CIN: U74900WB2011PLC169377	CAMEO CORPORATE SERVICES LIMITED "Subramanian Building", No.1, Club House Road, Chennai - 600 002, India Tel: 044 – 4002 0700 (5 lines) Email: priya@cameoindia.com Investor grievance Email: investor@cameoindia.com Contact Person: Ms. K Sreepriya Website: www.cameoindia.com SEBI Registration No.: INR000003753 CIN: U67120TN1998PLC041613

BANKER TO THE ISSUE	LEGAL ADVISOR TO THE ISSUE
<p>AXIS BANK LTD Trishul 3rd Floor, Opp. Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380006, Gujarat, India Tel: +91 8369209690 Email: vishal.lade@axisbank.com Investor Grievance Email: vishal.lade@axisbank.com Website: www.axisbank.com Contact Person: Mr. Vishal Lade SEBI Registration No: INBI00000017 CIN: L65110GJ1993PLC020769</p>	<p>SUMIT KOCHAR ADVOCATES AND SOLICITORS D-11, Lower Ground Floor, Gulmohar Park Rd, Block D, Gulmohar Park, New Delhi, Delhi 110049 Mobile: +91-95600 19659; +91-8130562651 Email: sumit@skasglobal.com; shivam@skasglobal.com Contact Person: Mr. Sumit Kochar</p>

Note: Investors may contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letter of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

All grievances in relation to the application may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, ASBA Form number, Applicants' DP ID, Client ID, folio number, PAN, number of Equity Shares applied for, date of submission of ASBA Form, amount blocked, ASBA account number, the name and address of the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip.

Self-Certified Syndicate Banks (“SCSBs”)

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchanges at NSE and BSE, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statement of Inter Se Allocation of Responsibilities

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Credit Rating

This being an Issue of Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

Our Company will appoint a monitoring agency, in accordance with Regulation 82 of the SEBI ICDR Regulations, prior to filing of the Letter of Offer with the Stock Exchanges.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

Underwriting

This Issue of Rights Equity Shares is not being underwritten.

Filing

This Draft Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations for obtaining its in-principle approval. Furthermore, the Letter of Offer will be filed with the Stock Exchanges and SEBI as per

the provisions of the SEBI ICDR Regulations. Further, Our Company will simultaneously while filing the Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI Intermediary Portal in accordance with SEBI ICDR Master Circular.

Experts

Our Company has received consent from the Statutory Auditor, namely Lodha & Co LLP, Chartered Accountants, through their letter dated September 12, 2024, to include their names as required under Section 26(1) of the Companies Act, 2013 in this Draft Letter of Offer and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Audited Consolidated Financial Statements, the audit reports in respect of the Audited Consolidated Financial Statements, and the statement of possible special tax benefits dated September 23, 2024 and such consents have not been withdrawn as of the date of this Draft Letter of Offer. However, the term “expert” shall not be construed to mean an “Expert” as defined under the U.S. Securities Act.

Minimum Subscription

The object of the Issue involves (i) Lending of fresh loans to Hindware Limited (“HL”, one of the subsidiaries of our Company) to facilitate them to repay / pre-pay in full or part of secured working capital loans availed by HL from banking institutions; and (ii) Repayment or pre-payment, in full or in part, of all or a portion of certain borrowing availed by our Company. Further, our Promoters and Promoter Group have confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of our Promoters or other member(s) of our Promoter Group); (ii) subscribe to additional Rights Entitlements over and above their Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of our Promoter Group; and (iii) subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI LODR Regulations. Accordingly, in terms of the proviso to Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription is applicable to the Issue.

The acquisition of Rights Equity Shares by our Promoter and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Any participation by our Promoters and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last date for credit of Rights Entitlement	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date#	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While the Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the BSE main board platform are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE in accordance with the applicable laws.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat account to the Company or to the Registrar, they are required to provide their demat account details to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat account, at least one day before the Issue Closing Date, i.e., [●]. Further, in accordance with the SEBI ICDR Master Circular, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see “**Terms of the Issue**” on page 209 of this Draft Letter of Offer.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. the Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

CAPITAL STRUCTURE

The Capital Structure of the Company before the Issue and after giving effect to the Issue, as at the date of this Draft Letter of Offer, is set forth below:

(In ₹ Lakhs, except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price*
A	Authorised Share Capital		
	15,00,00,000 Equity Shares of ₹2 each	3,000.00	--
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue		
	7,22,96,395 Equity Shares of ₹2 each	1,445.93	--
C	Present issue in terms of the Draft Letter of Offer *		
	Up to [●] Rights Equity Shares of face value ₹2 each ⁽¹⁾	[●]	Up to [●]
D	Issued, Subscribed & Paid-up Share Capital after the Issue⁽³⁾		
	[●] Equity Shares of face value ₹2 each	[●]	--
SECURITIES PREMIUM ACCOUNT		(in ₹ lakhs)	
	Before the Issue ⁽²⁾	7,185.89	
	After the Issue ⁽³⁾	[●]	

*To be updated upon finalisation of the Issue Price.

(1) The Issue has been authorised by the Board pursuant to a resolution dated September 02, 2024. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Board of Directors / Rights Issue Committee at its meeting held on [●], 2024.

(2) As on date of this Draft Letter of Offer.

(3) Assuming full subscription for and Allotment of Equity Shares. Subject to finalisation of Basis of Allotment.

Notes to the Capital Structure:

- The Company does not have any employee stock option scheme or employee stock purchase scheme.
- The Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.
- All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Draft Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.
- At any given time, there shall be only one denomination of the Equity Shares.
- No Equity Shares held by our Promoter or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

Intention and extent of participation in the Issue by the Promoters and Promoter Group:

Our Promoters and Promoter Group have confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of our Promoters or other member(s) of our Promoter Group); (ii) subscribe to additional Rights Entitlements over and above their Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of our Promoter Group; and (iii) subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the Securities Contracts (Regulation) Rules, 1957 and the SEBI LODR Regulations.

The acquisition of Rights Equity Shares by our Promoters and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with

provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

The ex-rights price of the Equity Shares arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹[●] per Equity Share.

Shareholding Pattern of the Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:

- (i) *The shareholding pattern of our Company as on June 30, 2024, can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/hindware-home-innovation-ltd/hindwareap/542905/shareholding-pattern/>; and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=HINDWAREAP&tabIndex=equity>;*
- (ii) *The statement showing holding of Equity Shares of persons belonging to the category “Promoters and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2024, can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=542905&qtrid=122.00&OtrName=June%202024> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=HINDWAREAP&tabIndex=equity>;*
- (iii) *The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2024, as well as details of shares which remain unclaimed for public can be accessed on the website of BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=542905&qtrid=122.00&OtrName=June%202024> and NSE at <https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=HINDWAREAP&tabIndex=equity>;*
- (iv) *No Equity Shares have been acquired by our Promoters or members of our Promoter Group in the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange.*
- (v) *There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.*

SECTION V: PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds from the Issue towards funding of the following objects:

1. Lending of fresh loans to Hindware Limited (“**HL**”, one of the subsidiaries of our Company) to facilitate them to repay / pre-pay in full or part of secured working capital loans availed by them from Banking institutions;
2. Repayment or pre-payment, in full or in part, of all or a portion of certain borrowing availed by our Company;

(Collectively, referred to hereinafter as the “**Objects**”)

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable our Company to undertake (i) its existing business activities; and (ii) activities for which borrowings were availed and which are proposed to be repaid from the Net Proceeds.

Issue Proceeds

The details of the Issue Proceeds are summarized in the table below:

(₹ in Lakhs)

Particulars	Estimated amount
Gross proceeds from the Issue*	Upto 25,000.00
Less: Estimated Issue related expenses**	[●]
Net Proceeds**	[●]

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

** Estimated and subject to change for factors. See “**Estimated Issue Related Expenses**” on page 63.

Requirement of Funds and Utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(₹ in Lakhs)

Particulars	Estimated amount
Lending of fresh loans to Hindware Limited (“ HL ”, one of the subsidiaries of our Company) to facilitate them to repay / pre-pay in full or part of secured working capital loans availed by HL from banking institutions;	9,800.00
Repayment or pre-payment, in full or in part, of all or a portion of certain borrowing availed by our Company;	15,114.00
Total Net Proceeds*	24,914.00

*Assuming full subscription in the Issue and subject to finalisation of Basis of Allotment.

Proposed Schedule of Implementation and Deployment of funds

We propose to deploy the Net Proceeds towards the object of the Issue in accordance with the estimated schedule of implementation and deployment of funds as follows:

(₹ in Lakhs)

Particulars	Amount proposed to be funded from the Net Proceeds	Proposed schedule for deployment of the Net Proceeds in FY 2024-25
Lending of fresh loans to Hindware Limited (“ HL ”, one of the subsidiaries of our Company) to facilitate them to repay / pre-pay in full or part of secured working capital loans availed by HL from Banking institutions;	9,800.00	9,800.00
Repayment or pre-payment, in full or in part, of all or a portion of certain borrowing availed by our Company;	15,114.00	15,114.00
Total Net Proceeds*	24,914.00	24,914.00

*Assuming full subscription in the Issue and subject to finalisation of Basis of Allotment.

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein in FY 2024-25. However, if the Net Proceeds are not completely utilised for the objects stated above by FY 2024-25, due to various factors beyond our control, the remaining Net Proceeds would be utilised (in part or in full) in the subsequent Fiscals as may be decided by the management of our Company, in accordance with applicable law.

The fund requirements, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, current circumstances of our business, prevailing market conditions and other commercial considerations. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, competition, price fluctuations, interest rate fluctuations and other external factors, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with the applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the issue during the period stated above due to any reason, including (i) the timing of completion of this Issue; (ii) market conditions outside the control of our Company and Hindware Limited; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with the applicable laws. This may also entail rescheduling or revising the planned funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with the applicable law.

Means of Finance

The entire requirement of funds towards object of the Issue will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue or through existing identifiable internal accruals as required under Regulation 62(1)(c) of the SEBI ICDR Regulations.

Details of the objects to be financed from the Net Proceeds

The details in relation to objects of the Issue are set forth herein below.

I. Lending of fresh unsecured loans to Hindware Limited (“HL”, one of the subsidiaries of our Company) to facilitate them to repay / pre-pay in full or part of secured working capital loans availed by HL from Banking institutions;

Our Company intends to extend fresh unsecured loans totaling ₹9,800 lakhs to Hindware Limited (formerly known as Brilloca Limited) (“**HL**”), which is a material subsidiary of our Company. These fresh unsecured loans to HL shall be utilised towards repay/prepay in full or part, secured working capital loans availed by HL from Axis Bank, HSBC Bank, Standard Chartered Bank, HDFC Bank, Federal Bank and Citibank N.A. (collectively “**HL Lenders**”). The repayments will be depending on the outstanding amounts at the time of actual payment to either of the HL Lenders.

As on September 02, 2024, the total aggregate amount of outstanding secured working capital loans is ₹36,226.50 Lakhs as availed by HL from HL Lenders. Some of the working capital loans taken from HL Lenders by HL may require it to pay a pre-payment premium or pre-payment penalty as per the terms of the relevant financing agreement which will be finally negotiated in the due course. Our Company proposes to extend fresh unsecured loans to HL aggregating to an amount of ₹ 9,800 Lakhs from the Net Proceeds towards partial repayment / pre-payment of the secured working capital loans earlier availed as above by HL from HL Lenders.

The following table provides details along with the terms on which the secured working capital loans have been availed by the HL, details of utilization and the amount outstanding as on September 02, 2024, which are proposed to be repaid from the Net Proceeds:

Sr. No.	Name of Lender	Nature of Borrowing as per the Sanction Letter	Sanctioned amount as at September 02, 2024 (in ₹ lakhs)	Amount Utilized as at September 02, 2024 (in ₹ lakhs)	Amount proposed to be repaid out of Net Proceeds (in ₹ lakhs)	Purpose of raising the loan	Whether the loan has been utilized for the purpose for which it was availed
1.	Axis Bank	Fund Based (CC/WCDL)	9,000.00	8,223.80	9,800.00	For the purpose of meeting the working capital requirements.	Yes
		Non-Fund Based (LC/BG)	3,000.00	195.29			
2.	Citibank N.A.	Fund Based (CC/WCDL)	3,000.00	3,000.00			
		Non-Fund Based ^ (LC/BG)	(3,000.00)	-			
3.	HDFC Bank	Fund Based (CC/WCDL)	19,000.00	16,928.98			
		Non-Fund Based (LC/BG)	2,400.00	-			
4.	HSBC Bank	Fund Based (CC/WCDL)	6,500.00	1,500.00			
		Non-Fund Based (LC/BG)	2,200.00	376.93			
5.	Standard Chartered Bank	Fund Based (CC/WCDL)	7,500.00	-			
		Non-Fund Based (LC/BG)	5,000.00	1,081.50			
6.	The Federal Bank Ltd	Fund Based (CC/WCDL)	12,500.00	6,573.72			
		Non-Fund Based (LC/BG)	5,000.00	3,229.59			
Total		Fund Based (CC/WCDL)	57,500.00	36,226.50	9,800.00		
		Non-Fund Based (LC/BG)	17,600.00	4,883.31	-		

[^] Sub limit of fund-based limit

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 and hereby confirmed that the amount has been utilised for the purpose mentioned therein and also the amount outstanding as secured working capital loans as on September 02, 2024.

Working capital facilities availed by Hindware Limited are secured by hypothecation of inventories, finished & semi-finished goods and receivables. The Working capital facilities are repayable on demand.

Given the nature of these secured working capital borrowing facilities and their repayment terms, the total outstanding amounts for Hindware Limited may fluctuate over time. Additionally, Hindware Limited may enter into new financing arrangements to secure further working capital loans as needed. If any of the existing secured working capital loans are repaid, or if additional secured loans are obtained before the completion of the Issue, Hindware Limited may utilize the Net Proceeds from the Issue to repay or prepay these secured loans.

History of Loan

These Secured Working Capital Loans, provided by HL Lenders, have been instrumental in supporting the HL's liquidity needs and ensuring operational continuity. Over time, HL has secured working capital financing from HL Lenders to address seasonal fluctuations in cash flow, manage inventory requirements, and cover other short-term financial obligations.

Banks have been key partners in providing this crucial funding. The terms and conditions of these loans typically reflect the company's financial health, creditworthiness, and operational requirements. The history of these loans often includes periodic reviews and adjustments based on the company's performance and market conditions. By drawing on working capital loans, HL has been able to maintain operational flexibility, invest in growth opportunities, and navigate through periods of financial uncertainty. The support from HL Lenders has been essential in enabling HL to achieve its business objectives and sustain its market position over the years.

Annual movement of secured working capital loans from HL Lenders to HL

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25 (till September 02, 2024)
Opening Balance	28.99	21,938.63	29,827.29
Closing Balance	21,938.63	29,827.29	36,226.50 [^]

[^] Balance as per the bank statement

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 and hereby confirmed that the amount has been taken and repaid as mentioned therein and also the amount outstanding as secured working capital loans as on September 02, 2024.

Rationale behind the secured working capital loan taken by HL from HL Lenders

Hindware Limited has taken working capital loans to address its immediate and ongoing financial needs, essential for maintaining smooth business operations and supporting its growth initiatives. The primary rationale for these loans is to ensure the availability of sufficient liquidity to meet short-term operational expenses, such as raw material procurement, inventory management, and other day-to-day costs. By securing these funds, Hindware Limited can effectively manage its working capital cycle, ensuring that it has the necessary resources to respond promptly to market demands, manage supply chain fluctuations, and sustain its production capabilities without disruption.

Additionally, the working capital loans facilitate its strategic expansion efforts and investment in operational enhancements. These loans enable Hindware Limited to invest in new technologies, upgrade facilities, and expand its product offerings, positioning itself competitively in the market. The financing also provides a buffer to navigate through any unexpected financial challenges or market volatility, thereby supporting its long-term growth objectives and reinforcing its financial stability.

The secured working capital loans availed by HL from HL Lenders are utilized for following purposes:

Particulars	Amount (₹ in Lakhs)
Working Capital Requirements	36,226.50
Outstanding as at September 02, 2024	36,226.50

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 confirmed the utilisation of above secured working capital loans till September 02, 2024.

Hindware Limited (formerly known as Brilloca Limited), one of the Subsidiaries of our Company, is engaged in the Building Products business activities. It is a non-government, Public limited company, incorporated under the provisions of the Companies Act, 2013 with the Registrar of Companies at Kolkata, India on November 02, 2017. Hindware Home Innovation Limited, being the holding company, has an effective ownership interest of 98.20% in Hindware Limited. For more details, please refer the section titled "**Our Business**" beginning on page 81.

The details of performance of Hindware Limited on a standalone basis have been provided below:

(₹ in lakhs, except per share and %)

Particulars	As at and for the period ended March 31, 2024	As at and for the period ended March 31, 2023	As at and for the period ended March 31, 2022
Share Capital	989.00	989.00	490.00
Net Worth	48,266.09	40,947.11	35,172.51
Revenue from operations	2,35,464.45	2,31,612.48	1,79,545.63
Other Income	3,007.68	2,906.48	2,472.24
Profit/ (Loss) after Tax	10,309.00	8,800.41	11,652.31
Earnings per Share (Basic & Diluted)	20.85	17.93	47.56
Net Asset Value per equity share	97.61	83.45	143.56
Total borrowings	73,764.14	62,251.99	32.58
% of revenue contribution to the consolidated revenues from operations of our company	84.09%	80.61%	78.28%
Net cash generated from/ (used in) operating activities	23,160.64	15,978.75	28,103.14
Cash and cash equivalents	1,840.74	784.12	2,341.59

*Certified by our statutory auditors vide a certificate dated September 24, 2024

Summary of Cash flows of Hindware Limited

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Opening Cash and Cash Equivalent	784.12	2341.59	491.08
Net cash flow generated from / (used in)			
- Operating activities	23,160.64	15,978.75	28,103.14
- Investing activities	(20,520.66)	(68,715.00)	(14,739.04)
- Financing activities	(1,583.36)	51,178.78	(11,513.59)
Closing Cash and Cash Equivalent	1,840.74	784.12	2,341.59

Our Statutory auditors have provided a certificate dated September 24, 2024 towards the summary of cash flows

Benefits Accrued

Our Company intends to extend an unsecured loan to Hindware Limited, ensuring that financing costs remain within the group, rather than being paid to external lenders. This approach offers significant advantages. Firstly, Hindware Home Innovation Limited (“**HHIL**”) will earn interest on the loan, providing a direct financial benefit on a standalone basis. This interest income will strengthen HHIL’s own income stream and cash flow, contributing to its profitability without taking on additional financial risk.

From a consolidated perspective, the loan allows Hindware Limited to access necessary funds for its operations without the burden of paying interest to outside parties, thus avoiding external finance costs. While Hindware Limited will pay interest on the loan, the funds will remain within the group, ensuring that no money flows outside. This strategic decision enhances financial synergy within the group, supporting operational growth and cost efficiency for Hindware Limited.

On both standalone and consolidated levels, the transaction strengthens internal financial cohesion, improves liquidity, and promotes value creation for HHIL. The interest income earned by HHIL and the enhanced financial performance of Hindware Limited will contribute to stronger financial results for the group, aligning with the long-term objectives of the promoters.

Other Confirmations

Our Company will, at the time of disbursement, enter into a formal loan agreement with HL. This agreement will be executed on an arm's length basis, ensuring that the terms and conditions of the loan are on the arm's length basis.

Furthermore, our Company and HL will secure all necessary approvals as required under the Companies Act, 2013, SEBI Listing Regulations, and any other applicable laws in force at the time of the transaction. The specific terms and conditions of the loan, such as the repayment schedule, interest rate, and other key provisions, will be determined at the time of execution and governed by the principles of fairness and arm's length dealing. We will ensure compliance with all regulatory requirements while maintaining the flexibility to structure the loan in the best interests of our Company, HL and respective stakeholders.

II. Repayment or pre-payment, in full or in part, of all or a portion of certain borrowing availed by our Company;

Our Company has, in the regular course of business, entered into various financing arrangements, including, term loans, inter-corporate loans and working capital loans. The aggregate outstanding amounts under these borrowings may vary from time to time.

As at September 02, 2024, the amount of total loans outstanding under various borrowing arrangements of our Company to be fully or partially repaid or prepaid from the Net Proceeds was ₹ 15,369.33 lakhs. Our Company proposes to utilise an estimated amount of upto ₹ 15,114.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of borrowings availed by our Company. Our Company may avail further loans and/ or draw down further funds under existing or new borrowing arrangements, from time to time. Further, our Company has obtained consents from the lenders of these borrowings for undertaking this Issue, as on the date of this Draft Letter of Offer. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

The following table sets forth the outstanding debt of our Company as at September 02, 2024:

Particulars	Loan outstanding as at September 02, 2024 [^]	
	On consolidated basis	On standalone basis
Current borrowings	56,284.13	8,881.83
Non-Current borrowings	33,039.77	6,487.50
Total	89,323.90	15,369.33

[^]Balance as per bank statements

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 and hereby confirmed the loan outstanding amount as on September 02, 2024.

We may repay or refinance some loans set out in the table below, prior to filing of the Letter of Offer. In such a situation, we may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any of our existing loans.

We may choose to repay or pre-pay certain borrowings availed by us, other than those identified in the table below, which may include additional borrowings we may avail after the filing of this Draft Letter of Offer. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In light of the above, at the time of filing the Letter of Offer, the table below shall be suitably updated to reflect the revised amounts or loans as the case may be which have been availed by us. In the event our Board deems appropriate, the amount allocated for the estimated schedule of deployment of Net Proceeds in a particular fiscal may be repaid/ pre-paid in part or full by our Company in the subsequent fiscal. The selection of borrowings proposed to be repaid/prepaid by us shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) levy of any prepayment penalties and the quantum thereof, (iii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, (iv) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our lenders, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) as may be determined by our Company based on commercial acumen. Further, our Company has obtained written consents from our lenders for undertaking the Issue.

We believe that such repayment or prepayment will help reduce our outstanding indebtedness, finance cost and our debt-equity ratio and enable utilization of our internal accruals for further investment in business growth. In addition, we believe that the strength of our balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital in the future at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the coming years.

The following table sets forth the details of some of the borrowings availed by our Company, which are outstanding on September 02, 2024, out of which our Company may repay/prepay, all or a portion of the following borrowings, from the Net Proceeds:

Sr. No.	Name of Lender	Nature of Borrowing as per the Sanction Letter	Sanctioned amount as at September 02, 2024 (in ₹ lakhs)	Amount Utilized as at September 02, 2024 (in ₹ lakhs)	Amount proposed to be repaid out of Net Proceeds (in ₹ lakhs)	Purpose of raising the loan	Whether the loan has been utilized for the purpose for which it was availed
1.	Axis Bank	Fund Based (CC/WCDL)	1,900.00	209.70	8,414.00	For the purpose of meeting the working capital requirements	Yes
		Non-Fund Based (LC/BG)	3,500.00	1,583.44			
2.	Citibank N.A.	Fund Based (CC/WCDL)	1,500.00	1,300.00			
		Non-Fund Based (LC/BG)^	(1,500.00)	-			
3.	HDFC Bank	Fund Based (CC/WCDL)	6,000.00	4,947.13			
		Non-Fund Based (LC/BG)	2,500.00	1,518.38			
4.	HSBC Bank	Fund Based (CC/WCDL)	1,500.00	-			
		Non-Fund Based (LC/BG) ^	(1,500.00)	-			
5.	Standard Chartered Bank	Fund Based (CC/WCDL)	2,500.00	-			
		Non-Fund Based (LC/BG)	3,000.00	552.63			
6.	The Federal Bank Ltd	Fund Based (CC/WCDL)	4,000.00	2,200.00			
		Non-Fund Based (LC/BG)	2,000.00	1,522.87			
7.	HDFC Bank	Secured Term Loan	1,500.00 ¹	712.50	700.00	For the purpose of meeting the capex requirements	Yes
8.	Hindware Limited	Corporate Loan facility	7,000.00	6,000.00	6,000.00	For the purpose of meeting the business requirements	Yes
Total		Fund Based (CC/WCDL)	17,400.00	8,656.83	8,414.00		
		Non-Fund Based (LC/BG)	11,000.00	5,177.32	-		
		Secured Term Loan	1,500.00	712.50	700.00		
		Corporate Loan facility	7,000.00	6,000.00	6,000.00		

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 and hereby confirmed that the amount has been utilised for the purpose mentioned therein and also the amount outstanding as loans as on September 02, 2024.

¹Pursuant to a novation agreement dated November 19, 2019 between HDFC Bank Limited, AGI Greenpac Limited, Hindware Limited and our Company, with effect from April 01, 2018, the loan amount of ₹1,500 lakhs was transferred from AGI Greenpac Limited to our Company out of its ₹20,000 lakhs loan facility.

^ Sub limit of fund-based limit

a) Unsecured Loans availed from Hindware Limited

Hindware Home Innovation Limited had entered into multiple agreements with Hindware Limited (“HL”, one of the subsidiaries of our Company) dated May 21, 2020, December 03, 2020 and March 01, 2024 (hereinafter collectively referred to as the “HL Loan Agreements”) for obtaining unsecured loans not exceeding ₹ 3,000 Lakhs, ₹1,000 Lakhs and ₹ 3,000 Lakhs, respectively, which aggregates to ₹7,000 Lakhs, towards business and operational purposes as and when required at various tranches.

The following table sets forth the details of borrowings availed by our Company from Hindware Limited, which are outstanding on September 02, 2024, out of which our Company will repay / prepay, all of the following utilized borrowings, from the Net Proceeds:

Sl. No.	Date of Agreement	Sanctioned amount (₹ in lakhs)	Rate of interest	Repayment timeline	Amount Utilized as at September 02, 2024 (in ₹ lakh)	Amount proposed to be repaid out of Net Proceeds (in ₹ lakh)	Utilisation
1.	May 21, 2020	3,000.00	1-year MCLR (as per HDFC Bank’s benchmark) + 33 bps p.a.	After 8 years from the date of taking first loan disbursal i.e., May 22, 2020	3,000.00	3,000.00	Long term and short term Business Requirements
2.	December 03, 2020	1,000.00	1-year MCLR (as per HDFC Bank’s benchmark) + 33 bps p.a.	After 8 years from the date of taking first loan disbursal i.e., August 08, 2023	1,000.00	1,000.00	
3.	March 01, 2024	3,000.00	1-year MCLR (as per HDFC Bank’s benchmark) + 33 bps p.a.	After 3 years from the date of taking first loan disbursal i.e., March 22, 2024	2,000.00	2,000.00	
Total		7,000.00			6,000.00	6,000.00	

Annual movement of loans from Hindware Limited to our Company

In accordance with the relevant clauses of the HL Loan Agreements, our Company holds the option, upon providing one working day’s prior notice, to prepay the outstanding loans owed to Hindware Limited, either in part or in full. This prepayment would include the accrued interest up to the date of the prepayment and can be executed without any penalties or prepayment premiums.

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25 (till September 02, 2024)
Opening Balance	1,700.00	2,500.00	4,500.00
Loan received during the year / period	800.00	2,000.00	1,500.00
Repayments during the year / period	-	-	-
Closing Balance	2,500.00	4,500.00	6,000.00

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 and hereby confirmed that the amount has been taken and repaid as mentioned therein and also the amount outstanding as unsecured loan as on September 02, 2024.

Source of funds towards unsecured loans from Hindware Limited to our Company

The details of the source of funds for Hindware Limited out of which the aforesaid loans were provided to our Company as mentioned below:

Sources of Funds extended	Loan Amount (₹ in Lakhs)
Internal Accruals	6,000.00
Total	6,000.00

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 and hereby confirmed source of funds of Hindware Limited towards unsecured loans to our Company.

Rationale behind the loan taken by our Company from Hindware Limited

Our Company obtained an unsecured loan from Hindware Limited in multiple tranches through three separate agreements dated May 21, 2020, December 03, 2020, and March 01, 2024, with amounts of ₹3,000 lakhs, ₹1,000 lakhs, and ₹3,000 lakhs, respectively. The primary reason for these loans was to address our long term and short term business requirements, which are crucial for maintaining smooth and efficient business operations.

The unsecured loans were essential for managing day-to-day financial needs, including funding inventory purchases, managing accounts receivable, and covering other short-term operational expenses and other long term business requirements. Given the nature of our operations, where cash flow can fluctuate due to the timing of sales and payments, these unsecured loans provided the necessary liquidity to bridge gaps and ensure uninterrupted business activities.

By utilizing these funds, we were able to maintain operational continuity and respond to fluctuating financial demands without the need for secured borrowing. The flexibility of unsecured loans allowed us to access necessary capital quickly, facilitating timely support for our working capital needs. Repaying this loan will help us reduce inter-company liabilities and strengthen our financial position, enhancing our financial position and operational efficiency on a consolidated level.

The Unsecured Loans availed by our Company from Hindware Limited are utilized for following purposes:

Particulars	Amount (₹ in Lakhs)
	As on September 02, 2024
Long term and short term Business Requirements	6,000.00
Total	6,000.00
Repayments	-
Outstanding as at September 02, 2024	6,000.00

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 confirmed the utilisation of above unsecured loans till September 02, 2024

The disclosure with regard to the Related Party Transactions (“RPT”) towards loans were made on a timely basis to the stock exchanges as per SEBI LODR Regulation.

As regards the details of approvals, these borrowings are within the limits of the borrowing powers granted by the shareholders of our Company vide their meeting dated January 05, 2019.

Benefits Accrued

The repayment of the unsecured loans to Hindware Limited will enable our Company to reduce both debt and interest burden, thereby improving overall financial health. By lowering the outstanding debt, our Company will decrease interest expenses, which will enhance cash flow. This improvement in cash flow will provide our Company with greater flexibility to pursue strategic growth opportunities and invest in initiatives that drive value creation. The reduction in debt and interest obligations will also support a more efficient allocation of resources, ultimately contributing to our Company’s long-term financial stability and consolidated growth objectives.

b) Term Loan availed from HDFC Bank

On December 22, 2016, a loan agreement was entered into between AGI Greenpac Limited (“AGI”) and HDFC Bank Limited (“HDFC”), for extension of secured term loan to the borrower by HDFC for an amount not exceeding ₹20,000 Lakhs for future capital expenditure and reimbursement of capital expenditure done since April 2015 on the terms and conditions as mentioned in the sanction letter dated December 07, 2016 issued by HDFC to AGI.

After the Scheme of arrangement, pursuant to which business undertakings were demerged from AGI to our Company and Hindware Limited, a novation deed was entered into between HDFC, AGI, Hindware Limited and our Company (“Novation Deed”) pursuant to which effective April 01, 2018, out of ₹20,000 lakhs of the abovementioned loan, ₹1,500 lakhs was transferred to our Company.

As part of the objects of the issue, the Company intends to utilize ₹700.00 lakhs from the net proceeds of the rights issue to repay or prepay, in full or in part, the outstanding balances of this terms loan as on September 02, 2024.

Annual movement of term loan from HDFC Bank to our Company

Some of our borrowings may require us to pay a prepayment or repayment penalty as per the terms of the relevant financing agreement which will be finally negotiated in the due course.

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25 (till September 02, 2024)
Opening Balance	1,275.00	1,050.00	825.00
Loan received during the year / period	-	-	-
Repayments during the year / period	(225.00)	(225.00)	(112.50)
Closing Balance	1,050.00	825.00	712.50

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 and hereby confirmed that the amount has been taken and repaid as mentioned therein and also the amount outstanding as term loan from HDFC Bank as on September 02, 2024.

As per the Novation Deed, the loan amount transferred to our company under this loan was ₹ 1,500 lakhs made on April 01, 2018. As, on September 02, 2024, the outstanding term loan from HDFC Bank amounts to ₹ 712.50 lakhs. Interest on this loan is charged at prevailing HDFC MCLR rate with maturity matching the loan tenure (1-year MCLR+ 8.00 bps) as at September 02, 2024. HDFC Bank may require us to pay a prepayment or repayment penalty as per the terms of the relevant financing agreement which will be finally negotiated in due course.

Currently, the said term loan is repayable in balance of 5 (five) half yearly instalments from December 2024 to December 2026.

Rationale behind the term loan taken by our Company from HDFC Bank

Pursuant to the Novation Deed, a loan amount of ₹1,500 lakhs in connection with CPDM and Retail Undertaking, out of original loan of ₹20,000 lakhs was transferred to our Company with effect from April 01, 2018. Originally the term loan was taken for capital expenditure and reimbursement of capital expenditure of CPDM and Retail Undertaking of AGI Greenpac Limited.

The term loan from HDFC Bank was initially extended to and utilized by AGI Greenpac Limited to fund the capital expenditure for the CPDM and Retail Undertaking prior to the demerger. Following the demerger, under the Composite Scheme of Arrangement and as per the Novation Deed, the loan, along with the associated obligations, was transferred to our Company. As a result, our Company is now responsible for the repayment of the loan in accordance with the terms of the original loan agreement.

The term loan availed by our Company from HDFC Bank are utilized for following purposes:

Particulars	Amount (₹ in Lakhs)
Capital Expenditure	1,500.00
Total	1,500.00
Repayments	787.50
Outstanding as at September 02, 2024	712.50

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 confirmed the utilisation of above loan till September 02, 2024

As regards the details of approvals, these borrowings are within the limits of the borrowing powers granted by the shareholders of our Company vide their meeting dated January 05, 2019.

Benefits Accrued

The term loan repayment to HDFC Bank will immediately reduce our debt burden and result in lower interest expenses, thereby improving cash flows. The funds that would otherwise go toward servicing debt can now be reallocated toward business operations, working capital, and future growth opportunities, enhancing the financial flexibility of our Company.

Furthermore, repaying the term loan will strengthen our Company’s credit profile and reduce our reliance on external financing. This improved credit standing may allow us to secure more favorable financing options in the future, ensuring that our Company can pursue growth initiatives without the constraints of high interest costs. The overall reduction in debt will also enhance financial stability and better position our Company to achieve long-term operational and financial objectives.

c) Working Capital Loan availed from WC Lenders

Our Company has availed various working capital loans from Axis Bank, Citibank N.A., HDFC Bank, HSBC Bank, Standard Chartered Bank and Federal Bank (collectively referred to as “WC Lenders”) to meet its business and operational needs. These secured loans are sanctioned as per sanction letters issued by respective lenders, and utilized for managing the working capital requirements of the Company, which fluctuate based on the Company’s operational cycle, including accounts receivable, inventory, and accounts payable.

The working capital loans availed by the Company are subject to periodic reviews and adjustments based on current asset positions and cash flows, and the amounts utilized vary over time in accordance with business needs. As part of the objects of the issue, the Company intends to utilize ₹8,414.00 lakhs from the net proceeds of the rights issue to repay, in full or in part, the outstanding balances of these loans as on September 02, 2024 excluding interest.

Our WC Lenders charge interest on the secured working capital loans which typically range between 8.00% to 11.04%. These working capital loans are secured by hypothecation of inventories, finished, semi-finished goods and receivables of the Company. The Working capital facilities are repayable on demand.

The repayment of these loans will help the Company reduce its overall interest burden and improve its liquidity position, enabling it to allocate resources more effectively for its business operations.

Status of the secured working capital loans from WC Lenders to our Company

Some of our borrowings may require us to pay a prepayment or repayment penalty as per the terms of the relevant financing agreement which will be finally negotiated in the due course.

(₹ in Lakhs)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25 (till September 02, 2024)
Opening Balance	13,014.54	7,865.81	9,080.44
Closing Balance	7,865.81	9,080.44	8,656.83^

^ Balance as per the bank statement

Note: Our Statutory auditors have provided a certificate dated September 24, 2024 and hereby confirmed that the amount has been taken and repaid as mentioned therein and also the amount outstanding as secured working capital loans as on September 02, 2024.

Rationale behind the working capital loan facilities taken by our Company from WC Lenders

Our Company has availed working capital loan facilities from Axis Bank, Citibank N.A., HDFC Bank, HSBC Bank, Standard Chartered Bank, and Federal Bank to meet the short-term liquidity requirements essential for running our trading operations. These loans allow us to efficiently manage operational expenses such as purchasing inventory, covering overheads, and maintaining sufficient cash flow to handle fluctuations in receivables and payables.

Given the nature of our business, where the timing of cash inflows from customers can be variable, these working capital facilities help bridge the gap between the receipt of payments and the need to fund immediate operational requirements. By utilizing these loans, our Company is able to ensure the continuous availability of inventory and maintain smooth operations without disruptions caused by temporary cash flow mismatches.

Benefits Accrued

Repaying our working capital loans using the proceeds from the rights issue will yield several significant benefits for our Company. Primarily, it will lead to a reduction in our interest burden. By settling these outstanding loans, we will decrease our interest expenses, which will directly enhance our profitability. This reduction in finance costs will enable us to retain a portion of our earnings, which can be reinvested into the business for growth and operational efficiency.

Additionally, clearing these loans will improve our liquidity and financial flexibility. With reduced debt levels, we will free up existing credit lines, providing us with greater maneuverability to address future financial needs without over-reliance on external borrowings. This strengthened balance sheet will not only enhance our credit profile but also position us more favorably for any future financing requirements. Ultimately, this strategic move will allow us to allocate resources more effectively towards core business activities and growth initiatives, fostering long-term value creation for our shareholders.

III. Estimated Issue Related Expenses

The estimated Issue related expenses are as follows:

Particulars	Estimated amount* (₹ in Lakhs)	Percentage of total estimated Issue expenditure (%)	Percentage of Issue Size (%)
Lead Manager Fees, Selling commission & Brokerage, including other intermediaries Fees, Printing and distribution of Issue Stationary	[●]	[●]	[●]
Regulators including Stock Exchange	[●]	[●]	[●]
Advertising and Marketing Expenses	[●]	[●]	[●]
Total	[●]	[●]	[●]

* Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards other objects purposes of the issue. All issue related expenses will be paid out of the Issue Proceeds received at the time of receipt of the Application Money. Amount will be finalized at the time of filing of the Letter of Offer and determination of the Issue price and other details.

Bridge Financing Facilities

The objects of the Issue are to lending of fresh loans to Hindware Limited and make repayment or pre-payment, in full or in part, of all or a portion of certain borrowing availed by our Company. Accordingly, our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim Use of Net Proceeds

Our Company shall deposit the Net Proceeds, pending utilisation of the Net Proceeds for the purposes described above, by depositing the same with any scheduled commercial banks which are included in second schedule of Reserve Bank of India Act, 1934.

Monitoring Utilization of Funds from the Issue

Our Company will appoint a monitoring agency to monitor utilization of proceeds from the Issue, prior to filing of the Letter of Offer in accordance with Regulation 82 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods,

provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds, which shall discuss, monitor and approve the use of the Net Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Net Proceeds shall be certified by the Auditors.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Directors' report, after placing it before the Audit Committee.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Appraising entity

None of the objects for which the Net Proceeds will be utilized have been appraised by any agency or any financial institution.

Other confirmations

No part of the proceeds of the Issue will be paid by our Company to our Promoter, our Promoter Group, our Directors or our Key Managerial Personnel or Senior Management.

Our Promoter, our Promoter Group and our Directors do not have any interest in the objects of the Issue, and there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoter, Promoter Group, Directors, Key Managerial Personnel, Senior Management or associate companies (as defined under the Companies Act, 2013).

Our Company does not require any material government and regulatory approvals in relation to the objects of the Issue. However, certain objects may necessitate such approvals, as stipulated under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, and any other applicable laws currently in force.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

**LODHA
& CO LLP**
Chartered Accountants

12, Bhagat Singh Marg, New Delhi - 110 001, India
Telephone : 91 11 23710176 / 23710177 / 23364671 / 2414
E-mail : delhi@lodhaco.com

To,
The Board of Directors
Hindware Home Innovation Limited
2, Red Cross Place,
Kolkata- 700 001
West Bengal

Dear Sir(s),

Subject: Statement of possible special tax benefits ("the Statement") available to Hindware Home Innovation Limited ('HHIL' / 'the Company'), its Material Subsidiary and its shareholders in connection with the proposed rights issue of equity shares of the Company in accordance with the requirement under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("the ICDR Regulations")

1. This report is issued in accordance with the terms of Engagement Letter executed between us and the company for the purpose of the proposed Issue.
2. We hereby report that the enclosed Annexure I and Annexure II prepared by Hindware Home Innovation Limited (**'the Company'**), initialed by us for identification purpose, states the possible special-tax benefits available to the Company, its shareholders and Material Subsidiary, under direct and indirect taxes (together "**the Tax Laws**"), presently in force in India as on the signing date in the context of the Issue in accordance with the SEBI ICDR Regulations, which are defined in Annexure I. These possible special tax benefits are dependent on the Company, its shareholders and Material Subsidiary fulfilling the conditions prescribed under the relevant provisions of the Tax laws. Hence, the ability of the Company, its shareholders and Material Subsidiary to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company, its shareholders and Material Subsidiary may face in the future and accordingly, may or may not choose to fulfill.



Regd. Office: 19, Esplanade Mansions, 14 Government Place East, Kolkata 700069, West Bengal, India.
Lodha & Co (ICAI Reg. No. 301051E) a Partnership Firm was converted into Lodha & Co LLP
(Identification No. ACE-5752) a Limited Liability Partnership with effect from December 27, 2023
Kolkata Mumbai New Delhi Chennai Hyderabad Jaipur

3. This certificate of possible special tax benefits is required as per Schedule VI of the SEBI ICDR Regulations. While the term 'tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to tax benefits available to the Company and material subsidiary and /or its shareholders, the same would include those benefits as enumerated in the Annexure - II. Any benefits available under the Taxation Laws other than those specified in the Annexure - II are considered to be general tax benefits available to the Company and material subsidiary and /or its shareholders, and therefore not covered within the ambit of the Statement. Further, any benefits available under any other Laws within or outside India, except for those specifically mentioned in the Annexure - I, have not been examined and covered by the Statement.

Management's Responsibility for the Statement

4. The Management of the Company is responsible for preparation and maintenance of the Statement and other records supporting its contents, to give complete and correct information regarding the possible special tax benefits available to the Company and material subsidiary and /or its shareholders under the provisions of the applicable direct and indirect tax laws, as amended, applicable for financial year 2024-2025. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is responsible for identifying and ensuring that the Company complies with the law and regulations applicable to its activities and details provided for verification are correct.
6. The Management is also responsible for ensuring that the Company complies with the requirements of the SEBI ICDR Regulations.

Auditor's Responsibility

7. It is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and/or material subsidiary and /or its shareholders as of date, in accordance with the respective tax laws as at the date of our certificate.



8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

Opinion

10. According to the information and explanations provided to us and based on the representation obtained from the Company, we are of the view that as on date of this certificate, the possible special tax benefits available to the Company, its material subsidiary and the shareholders of the Company under the applicable tax laws are given in the Statement, applicable for the financial year 2024-25 and relevant to the assessment year 2025-26, presently in force.
11. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Further, we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency. Neither we are suggesting nor advising the investors to invest money based on the statement. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Further we also do not assume responsibility towards the investors and third parties who may or may not invest relying on the Statement.



12. We do not express any opinion or provide any assurance on whether:

- The Company, its material subsidiary and its shareholders will continue to obtain these benefits in the future;
- The conditions prescribed for availing the benefits have been/would be met; and
- The revenue authorities/courts will concur with the views expressed herein.

13. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of our partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the company.

Restriction on Use

14. We consent to the inclusion of the above information or any extract thereof in the Draft Letter of Offer, Letter of Offer or any other material used in connection with the Proposed offer of Right Issue ("**Issue Documents**") to be filed by the Company with the Securities and Exchange Board of India ("**SEBI**") and BSE Limited and the National Stock Exchange of India Limited ("**Stock Exchanges**"), or any other authority and such other documents as may be prepared in connection with the Issue.

15. This certificate has been issued as per the term of engagement letter as referred above in the connection with the Issue and may be relied upon by the Lead Manager (LM) appointed in connection with the Issue and may be submitted to the Stock Exchanges and any other regulatory or statutory authority in respect of the Proposed offer of Right Issue. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.



16. Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Letter of Offer, as applicable.

For **LODHA & CO LLP**
Chartered Accountants
ICAI Firm Registration No: 301051E/E300284

Shyamal

Shyamal Kumar

Partner

Membership Number: 509325

UDIN: *24509325BKABWP8470*

Place: *New Delhi*

Date: *23/Sept/2024*



ANNEXURE I

LIST OF TAX LAWS

Sr. No.	Details of tax laws
1.	Income-tax Act, 1961 and Income-tax Rules,1962
2.	Central Goods and Service Tax Act, 2017
3.	State Goods and Service Tax Act, 2017
4.	Integrated Goods and Service Tax Act, 2017
5.	Union Territory Goods and Services Tax Act, 2017
6.	Customs Act, 1962
7.	Customs Tariff Act, 1975



ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO HINDWARE HOME INNOVATION LIMITED (THE "COMPANY"), ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible special direct and indirect tax benefits available to Hindware Home Innovation Limited (**the "Company"**), its shareholders of the Company and its Material Subsidiary in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Taxation Laws presently in force in India.

Several of these benefits are dependent on the Company, its shareholders and Material subsidiary fulfilling the conditions prescribed under the relevant Taxation Laws. Hence, the ability to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

Outlined below are the special tax benefits available to the Hindware Home Innovation Limited ("**the Company**") under the Income-tax Act, 1961 ("**the Act**") as amended by the Finance Act 2024, i.e., applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India.

UNDER THE DIRECT TAXES

1. POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

A. Lower corporate tax rate under Section 115BAA of the Act and MAT credit under Section 115IAA of the Act

A new Section 115BAA was inserted by the Taxation Laws (Amendment) Act, 2019 (the "Amendment Act, 2019") w.e.f. FY 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives.

The option under Section 115BAA of the Act once exercised cannot be subsequently withdrawn for the same or any future financial year.

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Hence, in case the Company opts for concessional tax rate under Section 115BAA of the Act, it shall not be eligible to claim and carry forward the MAT credit available.



B. Deduction in respect of inter-corporate dividends under Section 80M of the Act.

Up to 31 March 2020, any dividend paid to a shareholder by a company was liable to payment of Dividend Distribution Tax ("DDT") by such company, and the dividend was exempt from tax in the hands of the recipient shareholder. Pursuant to the amendment made by the Finance Act, 2020, DDT was abolished, and dividend received by a shareholder on or after 1 April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under section 115-0 has been paid.

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the Act, section 80M inter alia provides that where the gross total income of a domestic company in any FY includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of the said section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the "due date". For the purposes of the section, "due date" means the date one month prior to the date for furnishing the income tax return under section 139(1) of the Act.

The Company is entitled to claim such deduction subject to fulfilment of conditions specified under section 80M of the Act.

C. Deduction in respect of employment of new employees under Section 80JJAA of the Act

As per section 80JJAA of the Act, while computing income under the head business and profession in case of an assessee to whom section 44AB (i.e., tax audit) applies, a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the FY, shall be allowed for three AYs including the AY relevant to the FY in which such employment is provided. The Company is entitled to claim such deduction subject to fulfilment of conditions specified under section 80JJAA of the Act. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.



D. Deduction in respect of donations under Section 80G of the Act

The Company is entitled to claim deduction in respect of any donations made to approved funds, charitable institutions, etc. subject to satisfaction of conditions therein.

However, the deduction under section 80G of the Act is not applicable if the Company opts for concessional tax rate under section 115BAA of the Act.

2. POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

As per section 194 of the Act, the Company is required to deduct tax at source from the amount of dividend paid to shareholders, except in the case of certain categories of shareholders as specified in the said section which inter alia include individual shareholders receiving dividend not exceeding INR 5,000 (in aggregate during a FY) by any mode other than cash.

Further, as discussed above, subject to fulfilment of conditions, deduction shall be available under section 80M of the Act to domestic corporate shareholders in respect of inter-corporate dividends.

Section 112A of the Act provides for concessional rate of tax at the rate of 12.50% in respect of long-term capital gains gain exceeding Rs.1,25,000 (As per Finance Act 2024) arising from the transfer of a long-term capital asset (i.e., capital asset held for the period of 12 months or more) being an Equity Share in a company or a unit of an equity- oriented fund wherein Securities Transaction Tax ("STT") is paid on both acquisition and transfer, without giving effect to indexation. It is pertinent to note here that the rate of 10% was applicable with respect to transfer done prior to July 23, 2024, whereas as per the Finance Act 2024, for transfer done on or after July 23, 2024, the long term capital gain would be taxed at the rate of % without any indexation benefits. Further, the benefit of lower rate is extended in case STT is not paid on acquisition / allotment of equity shares through Right Issue of Shares.

Further, section 111A of the Act provides for tax @ 20% for transfer after July 23, 2024 in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short-term capital asset (i.e. capital asset held for the period of less than 12 months as per Section 2 (42A) of the Act) being an Equity Share in a company or a unit of an equity-oriented fund wherein STT is paid on transfer. It is pertinent to note here that the rate of 15% was applicable with respect to transfer done prior to July 23, 2024.

Finance Act, 2023 has amended section 115BAC of the Act to provide that with effect from FY 2023-24 relevant to AY 2024-25, Individuals, HUF, Association of Persons (other than a co-operative society), Body of Individuals and Artificial Juridical Person will be taxed on its total income at the reduced tax rates ('New Tax Regime'). As per Finance Act 2024, New Tax Regime becomes default option for the taxpayer. The income would however have to be computed without claiming prescribed deductions or exemptions as per the Act.

Such person will however have the option to be taxed on its total income as per the tax rates under the old tax regime. The option is required to be exercised – (i) on or before the due date specified under section 139(1) of the Act for furnishing the income-tax return for such AY, in case of a person having income from business or profession and such option ~~shall~~ be exercised



shall apply to subsequent AYS; or (ii) along with the income-tax return to be furnished under section 139(1) of the Act for every AY in case of a person not having income from business or profession.

A person having income from business or profession who has exercised the option of shifting out of the New Tax Regime shall not be able to exercise the option of opting back to the New Tax Regime till he has business income. However, a person not having income from business or profession shall be able to exercise this option every year.

3. POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARY

The material subsidiary has opted for reduced tax rate of 25.17% (22% plus surcharge of 10% and cess of 4%) as per the provisions of the section 115BAA of the act.

The material subsidiary can claim following deductions/exemptions :-

A. Deduction in respect of inter-corporate dividends under Section 80M of the Act.

Up to 31 March 2020, any dividend paid to a shareholder by a company was liable to payment of Dividend Distribution Tax ("DDT") by such company, and the dividend was exempt from tax in the hands of the recipient shareholder. Pursuant to the amendment made by the Finance Act, 2020, DDT was abolished, and dividend received by a shareholder on or after 1 April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under section 115-O has been paid.

With respect to a shareholder which is a domestic company as defined in section 2(22A) of the Act, section 80M inter alia provides that where the gross total income of a domestic company in any FY includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of the said section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the "due date". For the purposes of the section, "due date" means the date one month prior to the date for furnishing the income tax return under section 139(1) of the Act.

The Company is entitled to claim such deduction subject to fulfilment of conditions specified under section 80M of the Act.



B. Deduction in respect of employment of new employees under Section 80JJAA of the Act

As per section 80JJAA of the Act, while computing income under the head business and profession in case of an assessee to whom section 44AB (i.e., tax audit) applies, a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the FY, shall be allowed for three AYs including the AY relevant to the FY in which such employment is provided. The Company is entitled to claim such deduction subject to fulfilment of conditions specified under section 80JJAA of the Act. Further, where the Company wishes to claim such possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.

Notes:

1. This statement does not discuss any tax consequences arising in a country outside India pursuant to an investment in the shares of the Company. The shareholders in the country outside India are advised to consult their own professional advisors regarding the possible tax consequences that apply to them in such country outside India.
2. In respect of non-resident shareholders, the taxation and tax rates discussed above may be further subject to any benefit available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile. Applicability of DTAA benefit shall be subject to furnishing of relevant documents/declarations viz. tax residency certificate, Form 10F, etc. by the non-resident shareholders.
3. Surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds INR 1 Crore but does not exceed INR 10 crores and at the rate of 12% where the income exceeds INR 10 crores. Health and Education cess @ 4% on the tax and surcharge is payable by all category of taxpayers.

UNDER THE INDIRECT TAXES

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO HINDWARE HOME INNOVATION LIMITED (THE "COMPANY"), ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax").

Special tax benefits available to the Company and Material Subsidiary

1. Advance Authorisation Scheme benefit under Foreign Trade Policy that allows duty free Import of Inputs which are physically used in manufacturing the product meant for export. The Inputs imported are exempt from duties like Basic Customs Duty, Additional Customs Duty, Education cess, Anti-Dumping duty, Safeguard Duty and transition



Product-specific safeguard duty, Integrated tax, and compensation Cess, wherever applicable, subject to certain conditions.

2. Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.
3. Export Promotion Capital Goods (EPCG) Scheme benefit under Foreign Trade Policy which allows import of Capital goods that are used in Pre-production, production and post-production without payment of Customs duty. The benefit is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods to be achieved within 6 years from the date of issuance of the Authorization.
4. Remission of Duty and Taxes on Exported Products ("RODTEP") under Foreign Trade Policy. It entitles to a certain percentage of an export price as a scrip, which however gets limited to the embedded taxes.
5. Project Import scheme which facilitates imports of machinery, instrument and apparatus etc. under concessional rate of duty.

Special tax benefits available to the Shareholders of the Company

There are no special indirect tax benefits available to the shareholders of the Company.

Notes:

- a) This Annexure sets out only the special tax benefits available to the Company under the current Income-tax Act, 1961 (the "Act") and GST laws, as amended by the Finance Act, 2024 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India.
- b) The special tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Indian Income-tax regulations. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.
- c) As per Section 2 of chapter II of Finance Act, 2024 (Rates of Income-tax), Income-tax shall be charged at the rates specified in Part I of the First Schedule in assessment year 2025-26.
- d) This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed Offer of Right Issue.
- e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
- f) No assurance is provided that the revenue authorities/courts will concur with the views expressed herein.



Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of Hindware Home Innovation Limited



Authorised Signatory

Place: *Gurgaon*

Date: *23 Sept. 2024*



SECTION VI: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

INDIAN CONSUMER MARKET

Introduction

The Indian consumer durables market is broadly segregated into urban and rural markets and is attracting marketers from across the world. The sector comprises a huge middle class, a relatively large affluent class, and a small poor class. The sector includes consumer electricals such as fans, kitchen and cooking appliances, lighting devices, as well as white goods such as washing machines, televisions, refrigerators, and air conditioners.

The market share in the consumer durables industry is moving from the unorganised to the organised sector. According to estimates, 30% of the total market is still unorganised, which provides listed Indian players with a significant opportunity to further increase their market share going forward. Artificial intelligence and manufacturing automation will be important future trends as consumer awareness increases regarding technology advancements and their applications across multiple sectors. In order to increase the production efficiency of various consumer durables, Industry 4.0 will stimulate investments in R&D, technology infrastructure, and manufacturing processes.

Global corporations view India as one of the key markets from where future growth is likely to emerge.

The growth in India's consumer market would be primarily driven by a favorable population composition and increasing disposable income. During April 2024, electronics exports grew by 25.8% YoY to reach US\$ 2.65 billion. With robust growth, India aims to achieve electronics manufacturing worth US\$ 300 billion in electronics exports of US\$ 120 billion by FY26.

Market Size

Sanitaryware, faucets and Tiles Industry: In FY 2023-24, growth in the sanitaryware, faucet, and tiles segments was slower due to the focus on completing delayed real estate projects and subdued customer sentiment. However, we expect demand to increase across these sectors as new projects begin and ongoing ones near completion. Initiatives like Swachh Bharat Abhiyan and Bharat Tap, along with changing consumer preferences for visually appealing, watersaving, And sustainable products, will drive growth.

Additionally, factors such as urbanization, a growing middle class, and increased e-commerce accessibility will further support market expansion. Our integrated approach to the Bathware business positions us well to leverage these trends and achieve sustained growth.

Plastic pipes and fittings: Over the last 12-15 months, the market volume has continued to grow, but sales numbers have been muted due to a drop in raw material prices. The Indian Government's investment in infrastructure, coupled with favorable policies and initiatives, is reshaping the construction sector. Government initiatives such as the Smart Cities Mission, Atmanirbhar Bharat Abhiyan (Self-Reliant India Campaign), and Pradhan Mantri Awas Yojana (Prime Minister's Housing Scheme) are driving demand for plastic pipes. Additionally, rapid urbanization in India will further fuel market expansion.

Plastic pipes and fittings market comprising of polymerizing vinyl chloride (PVC), unplasticized polyvinyl chloride (UPVC) and chlorinated polyvinyl chloride (CPVC) has reported growth in the past decade and a half. This is due to

increased demand from the building and construction industry, along with the rising technological advancements in the irrigation sector. CPVC pipes and fittings are the fastest growing segment of India's plastic pipes and fittings industry owing to their unique selling points such as corrosion resistance, cost efficiency and flame resistance. The replacement market is further fueling the demand for pipes owing to the adverse water quality of the country.

Consumer Appliance: In FY 2023-24, the demand for consumer appliances in India witnessed a slowdown, reflecting the challenging and dynamic conditions prevailing in the industry. Factors such as weak consumer sentiment due to the inflationary environment and an increased cost-of-living, were primary contributors to this subdued demand. Additionally, supply chain disruptions and shifts in consumer spending habits amidst economic uncertainty further dampened the demand for consumer appliances. In the coming years, rising disposable incomes, urbanization, technological advancements, government initiatives, e-commerce growth, changing consumer preferences, smart home technology, and infrastructure development are expected to contribute to the growth of the consumer appliances market in India.

Indian Appliance and Consumer Electronics Industry market size is expected to nearly double in the next 3 years, reaching approximately Rs. 1.48 lakh crore (US\$ 17.93 billion) by 2025.

Indian appliances and consumer electronics industry stood at US\$ 9.09 billion in 2022 and is expected to more than double to reach Rs. 1.48 lakh crore (US\$ 21.18 billion) by 2025. Electronics hardware production in the country stood at US\$ 87 billion in 2022. India's consumer electronics and home appliances market is set to grow by US\$ 2.3 billion between 2022 and 2027, registering a CAGR of 1.31%.

Indian washing appliances current market size is US\$ 3.76 billion which is expected to grow US\$ 5.43 billion by 2029 with CAGR of 7.65%. Attracted FDI inflows of US\$ 4.57 billion.

India's Exports for Refrigerators, Air Conditioners, LEDs and Washing Machines amounted to Rs. 4,732.54 crore (US\$ 571 million) in FY21. Refrigerator Market in India to increase to US\$ 6.7 billion by FY26 from US\$ 3.8 billion in FY21 at a CAGR of 9.5%.

India's Imports for Refrigerators, Air Conditioners, LEDs and Washing Machines amounted to US\$ 1.74 billion (Rs. 14,421.40 crore) in FY21. Air Conditioner Market in India to increase to US\$ 9.8 billion by FY26 from US\$ 3.8 billion in FY21 at a CAGR of 20.8%.

The White Goods market is estimated to cross US\$ 21 billion by 2025 expanding at a CAGR of 11%. Domestic manufacturing contributes nearly US\$ 4.6 billion on average to this industry.

Investments

FDI in the Appliances and Consumer Electronics (ACE) industry nearly doubled to US\$ 481 million by June 2022, up from US\$ 198 million in 2021. Between April 2000- December 2023, electronic goods attracted FDI inflows of US\$ 4.57 billion.

According to the Department for Promotion of Industry and Internal Trade, between April 2020-March 2021 (FY21), exports of electronic goods from India stood at US\$ 11.1 billion. In May 2022, US\$ 1.34 billion worth of electronic goods were exported.

Following are some recent investments and developments in the Indian consumer durables sector.

- In 2022-23 (April-November) the export of white goods are as follows:
 - refrigerators, freezers, and other refrigerating accounted for Rs. 116,223.32 lakh (US\$ 140.97 million)
 - washing machines accounted for Rs. 35,819.59 lakh (US\$ 43.33 million)
 - air conditioners accounted for Rs. 146,432.20 lakh (US\$ 177.60 million)

Government Initiatives

- The Indian government distributed approximately Rs. 79 crore (US\$ 9.51 million) in fiscal incentives under the Production Linked Incentive (PLI) scheme for white goods during the last quarter of FY24.
- The PLI scheme for White Goods (ACs and LED lights) spanning FY 2021-22 to FY 2028-29 approves 64 applicants with a committed investment of US\$ 814 million (Rs. 6,766 crore).

- The Ministry of Consumer Affairs has asked top consumer durables companies to share data in order to create a common repository of information on their service centres and repair policy in an effort to protect customers' rights to repair and maintain home appliances.
- In November 2021, 42 companies were selected under the PLI Scheme for White Goods with a committed investment of Rs. 4,614 crore (US\$ 580.6 million), which is expected to create additional direct employment for 44,000 people.
 - In April 2022, 19 companies filed applications for the PLI Scheme for White Goods in the 2nd round of applications, with committed investments of Rs. 1,548 crore (US\$ 194.79 million).
 - As part of the PLI scheme, 61 companies have established component manufacturing facilities in 111 locations throughout 14 states and UTs, creating jobs across India.
- In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD), for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme, to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
- In March 2022, the government approved 14 companies under the production-linked incentive (PLI) scheme for IT hardware. Over the next four years, these companies are expected to fuel total production of Rs. 1,60,000 crore (US\$ 19.23 billion).
- In June 2021, the government extended the production-linked incentive (PLI) scheme for large scale electronics manufacturing by a year (until FY26), giving a boost to the industry.
- The Indian government has been encouraging consumer durable brands in India to 'Make in India', thereby expecting they should be self-reliant for the future; consumers too are showing an affinity towards homegrown products.
- The National Policy on Electronics 2019 is targeting production of one billion mobile handsets valued at US\$ 190 billion by 2025, out of which 600 million handsets valued at US\$ 100 billion are likely to be exported.
- The Government of India has allowed 100% FDI under the automatic route in electronics systems design and manufacturing sector. FDI into single brand retail has been increased from 51% to 100%; the government is planning to hike FDI limit in multi-brand retail to 51%.

Road Ahead

According to a number of consumer durable businesses, rural India presents the next significant growth potential for the industry, driven by increased penetration. The government's effort to electrify rural areas has improved power supply during the past few years in tier 3/4 towns and villages, paving the way for the use of electrical products.

According to FICCI, India's TV production is expected to reach US\$ 10.22 billion by FY26 at a CAGR of 20%. The headset market revenue in India is projected to reach US\$ 77 million by 2027 at a CAGR of 4.7%, driven by rising adoption of wireless headsets among consumers. The dishwasher market in India is expected to surpass US\$ 90 million by 2025-26, driven by rising demand from metro cities such as Mumbai, Hyderabad, Delhi and Bangalore. According to India Cellular & Electronics Association (ICEA), India has the potential to achieve a value of US\$ 100 billion in manufacturing of laptops and tablets by 2025. The Indian mobile phone market is predicted to generate Rs. 2.4 trillion (US\$ 29.38 billion) in revenue by FY26.

The Indian appliance and consumer electronics (ACE) market is expected to increase at 9% CAGR to reach Rs. 3.15 trillion (US\$ 48.37 billion) in 2022.

Demand growth is likely to accelerate with rising disposable income, easy access to credit, and wide usability of online sales.

OUR BUSINESS

In this section, unless the context otherwise requires, indicates or implies, references to “we”, “us”, “our” or to the “Group”, are to Hindware Home Innovation Limited and its consolidated subsidiaries and joint venture companies, while references to the “Company” or the “Issuer” are to Hindware Home Innovation Limited on a standalone basis. Unless otherwise stated, or unless the context requires otherwise, the financial information used in this section is derived from our audited consolidated financial statements as of and for the year ended March 31, 2024 and 2023. References to a “Fiscal” in this section are as of and for the relevant year ended March 31.

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the equity shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” on page 22 of this Draft Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 103 and 178, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Unaudited Financial Statements and Audited Financial Statements.

ABOUT THE COMPANY

Our Company was originally incorporated as “**Somany Home Innovation Limited**” on September 28, 2017, as a public limited company limited by shares under the Companies Act, 2013 pursuant to a certificate of incorporation dated September 28, 2017 issued by the Registrar of Companies, Central Registration Centre. Subsequently, the name of our Company was changed to “**Hindware Home Innovation Limited**” and a fresh certificate of incorporation consequent on change of name dated May 23, 2022 under the Companies Act, 2013 was issued by the Registrar of Companies, Kolkata.

Pursuant to a Composite Scheme of Arrangement, Hon’ble National Company Law Tribunal, Kolkata Bench (“NCLT”) vide the order no. CP (CAA) NO. 1597 / KB / 2018 dated June 26, 2019, approved the transfer of all the assets, rights and claims of CPDM Undertaking and Retail Undertaking of HSIL Limited (currently known as AGI Greenpac Limited) to our Company, on a going concern, as and from April 01, 2018.

Furthermore, in the same order, NCLT approved the transfer of all the assets, rights and claims of BPDM Undertaking of HSIL Limited (currently known as AGI Greenpac Limited) to Brilloca Limited (currently known as Hindware Limited), on a going concern, as and from April 01, 2018.

In consideration of the above Demerger, our Company issued 1 (one) equity share of ₹2 each for every 1 (one) equity share of ₹2 each held by the shareholders of AGI Greenpac Limited. Simultaneously, the initial issued and paid-up capital equity share capital of our company comprising of 5,00,000 (Five Lakhs) equity shares having face value of ₹2 each aggregating to ₹10,00,000 (Rupees Ten Lakhs Only) held by AGI Greenpac Limited and its nominee stood cancelled.

Post effectiveness of the abovementioned Scheme, the newly issued and allotted equity share capital of our company got listed on NSE and BSE.

Summarized details about the composite scheme of arrangement as approved by the NCLT vide the order dated June 26, 2019:

Name of Demerged Company	AGI Greenpac Limited (“AGI”)
Name of the First Resulting Company	Hindware Home Innovations Limited
Name of the Second Resulting Company	Hindware Limited
Relationship of the promoters or directors of our company with the Demerged Company	All the promoters of our Company are also the promoters of AGI. In addition, Mr. Sandip Somany, Mr. Girdhari Lal Sultania and Mr. Nand Gopal Khaitan who are directors of our Company are also on the Board of Directors of AGI. Also, Ms. Sumita Somany, one of our promoters is also one of the Promoters and Director of AGI.
Summarized Information about Valuation	The Valuation report dated December 11, 2017 recommended

	fair share entitlement ratio for the proposed demerger – 1 (one) Equity Share of ₹2 each of first resulting company to be issued against 1 (one) Equity Share of ₹2 each of Demerged Company.
Effective Date of Transaction	April 01, 2018

Furthermore, the Board of Directors of Hindware Limited, in its meeting held on January 15, 2022, had approved the acquisition of BPD Undertaking of the AGI Greenpac Limited which pertained to business of manufacturing of sanitaryware, faucets, and plastic pipes (PVC and CPVC) and fittings, through its operating manufacturing plants, along with all the related assets and liabilities including but not limited to the embedded goodwill, movable and immovable assets (except certain land and buildings), employees, contracts (including lease deeds), intellectual property and other intangible assets, licenses, permits, consents, approvals, inventory and insurance policies, for a slump sale consideration of ₹63,000 lakhs, subject to customary closing date adjustments and on such other terms as set out in the business transfer agreement dated February 04, 2022 executed between HL and AGI Greenpac Limited. Further, as per Ind AS 103: Business Combination goodwill amounting to ₹191.00 lakh was recognised in FY 2021-22.

The date of consummation of slump sale transaction was March 31, 2022, after close of business hours. After giving effect of the closing date adjustments as on March 31, 2022, the slump sale consideration was recorded at ₹69,995.55 lakh.

Name of Transferor Company	AGI Greenpac Limited (“AGI”)
Name of the Transferee Company	Hindware Limited (“HL”)
Relationship of the promoter or directors of our company with the Transferor Company	All the promoters of AGI are also the promoters of HL. In addition, Mr. Sandip Somany and Mr. Girdhari Lal Sultania who are directors of AGI are also on the Board of Directors of HL.
Summarized Information about Valuation	As per valuation report dated January 07, 2022, value of the building products division of AGI Greenpac Limited as at the Valuation date was estimated to be from ₹6,146.2 mn to ₹6,583.1 mn.
Effective Date of Transaction	Closing of business hours of March 31, 2022

Pursuant to the aforementioned demerger and slump sale, the Consumer Appliances business is currently managed by our Company, overseeing its strategic and operational functions. The Building Products business is handled by our subsidiary, Hindware Limited, which is responsible for all activities related to this segment. Additionally, our joint venture, Hintastica Private Limited, is engaged in the business of water heaters and room heaters, along with providing related ancillary services. Prior to the discontinuation of the retail business, our Company managed its operations; however, it has since been phased out as part of our strategic direction.

Our subsidiary, Evok Homes Private Limited (formerly Hindware Home Retail Private Limited), operates in the retail furniture and furnishings sector through its online platform, www.evok.in. We are currently in the process of discontinuing this business entirely.

OVERVIEW

We are a prominent player in the building products and consumer appliances sector in India. We are engaged in manufacturing, marketing, and distribution of a diverse portfolio of products, serving both residential and commercial segments. Our operations are structured across two primary business segments:

- 1. Consumer Appliances Business (CAB):** Under the Consumer Appliances business, we offer an extensive range of products to enhance modern living, including kitchen and home appliances under brand ‘Hindware Smart Appliances’. Through our partnership with Formenti & Giovenzana, we elevate living spaces with premium kitchen and furniture fittings, ensuring quality and sophistication in every detail.
- 2. Building Products:** Our Building Products business offers a wide range of products, including sanitaryware, faucets, premium tiles, and plastic pipes and fittings, serving diverse needs in India's construction and infrastructure sector.
- 3. Water Heater and Room Heater:** Through our joint venture, Hintastica Private Limited (“HPL”), we are involved in the manufacturing and selling of water heaters and trading of room heaters under the brand name ‘Hindware Atlantic’. These products are supplied to cater to both residential and commercial needs, and our collaboration with our Joint Venture Partner strengthens our presence in the market by offering reliable and energy-efficient heating solutions. This partnership enables us to deliver high-quality products, broadening our portfolio in the consumer appliances sector.

Discontinued Operations:

Retail Business: The Retail Business of the Company constituted of furniture & furnishing retail done through subset of physical stores as well as franchise stores across India and online retail through website www.evok.in. The online business was carried through subsidiary of the Company, EVOK Homes Private Limited (the “EHPL”) (formerly known as Hindware Home Retail Private Limited). Being in highly competitive market especially after emergence of many online furniture stores, the business sales growth and profitability remained under pressure. Therefore, the Board of Directors of our Company at its meeting held on May 28, 2024 approved to discontinue the further operation of the Retail Division of the Company. The Board had also approved the sale/liquidation of various assets relating to the said division.

SUBSIDIARIES / JOINT VENTURE

As on date of this Draft Letter of Offer, the Company has:

- 2 (two) subsidiaries namely Hindware Limited, Evok Homes Private Limited;
- 3 (three) step down subsidiaries namely Halis International Limited, Mauritius, Truflo Pipes Limited and Queo Bathroom Innovations Limited, UK
- 1 (one) Joint venture company namely Hintastica Private Limited.

During the FY 2023-24, Luxxis Heating Solutions Private Limited (“Luxxis”), a step-down subsidiary of the Company ceased to be such since it was struck off and dissolved by the Registrar of Companies w.e.f. April 28, 2023 consequent to the striking off application filed by the said Luxxis.

As on March 31, 2024, the Company has Hindware Limited as its unlisted Indian subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year. Hence, Hindware Limited is categorized as a Material subsidiary of the Company in terms of SEBI LODR Regulations.

OUR PRODUCTS / SERVICES:

- 1. CONSUMER APPLIANCES BUSINESS (CAB):** Our Company i.e., Hindware Home Innovation Limited (“HHIL”) operates the Consumer Appliances business (“CAB”) arm. Under CAB, our Company offers multiple products such as kitchen appliances, air coolers, fans and vents/exhaust across varied price range for the evolved consumers in India. A detailed list of our offered products in this category is detailed hereinbelow:

Kitchen Appliances Our kitchen appliances are tailored to meet the varied culinary requirements of today's contemporary residencies. Our extensive product lineup encompasses chimneys, cooking ranges, food waste disposers, built-in microwaves, built-in ovens, built-in hobs, cooktops, dishwashers, and kitchen sinks.

Air Coolers Our range includes Desert, Personal and Window, air cooler models of capacities from 12 to 125 litres. These models boast innovative features like interchangeable colour panels, and IoT connectivity. Each product is designed with advanced features to ensure customer comfort without compromising aesthetics.

Fans Our lineup of fans is meticulously crafted for contemporary Indian homes, offering aesthetic designs tailored to modern tastes and range of energy efficient MaxXGreen BLDC motor ceiling fans. We provide various options, including ceiling fans, exhaust fans, and portable fans. The portable selection features table fans, pedestal fans, and wall-mounted fans to suit diverse preferences and needs.

Kitchen and Furniture Fittings Through our collaboration with a Italian brand specialising in furniture fittings and solutions, we bring customers a comprehensive range of kitchen and furniture fittings. These offerings combine Italian craftsmanship with the trusted reliability of the Hindware brand and are designed to meet modern kitchen standards.

2. BUILDING PRODUCTS: Under Building Products business, our subsidiary offers a comprehensive solution with a wide range of products under the Bathware, Premium Tiles and Plastic Pipes and Fittings segments.

2.1 Bathware: Under Building Products, our subsidiary offers comprehensive bathroom solutions that include sanitaryware, faucets, wellness products and other allied products such as water closets, wash basins, pedestals, squatting pans, urinals, cisterns, bidets, showers, bathroom faucets, kitchen faucets, bath tubs, shower panels, shower enclosures, whirlpools, steam generators, concealed cisterns, seat covers and PVC cisterns etc.

- Sanitaryware**
- Water closets
 - Wash basins
 - Urinal and squatting pans

- Faucets**
- Bathroom faucets
 - Kitchen faucets
 - Diverters
 - Sensor faucets
 - Thermostats
 - Showers

- Wellness**
- Bathtubs
 - Shower panels
 - Shower enclosures
 - Vanity Whirlpools
 - Steam generators

- Allied Products**
- Concealed cisterns
 - Seat covers
 - PVC cisterns

- Tiles**
- Glazed vitrified tiles
 - Ceramic tiles
 - Full Body tiles
 - Porcelain tiles
 - Double charge tiles

2.2 Plastic pipes and fittings: Our subsidiary offers plastic pipes and fittings under the brand ‘Truflo by Hindware’. Truflo by Hindware has established its brand presence in plastic pipes and fittings industry in the country in last 5 years. Our product offerings encompass of:

- a. CPVC (Chlorinated Polyvinyl Chloride):** CPVC is a thermoplastic material used for manufacturing pipes and fittings. It is known for its high-temperature resistance, making it ideal for hot and cold-water distribution systems in residential, commercial, and industrial settings. CPVC pipes are durable, corrosion-resistant, and can withstand high pressures.
- b. UPVC (Unplasticized Polyvinyl Chloride):** UPVC is a rigid, strong, and chemically resistant material commonly used for pipes and fittings in plumbing, drainage, and sewage systems. Unlike PVC, it does not contain plasticizers, making it more durable and less flexible. UPVC pipes are often used for cold water supply and are known for their long life and low maintenance.
- c. PVC (Polyvinyl Chloride):** PVC is a versatile plastic material widely used in the production of pipes, fittings, and other construction materials. It is lightweight, easy to install, and resistant to chemicals and corrosion. PVC pipes are commonly used for water supply, drainage, and irrigation systems.
- d. SWR (Soil, Waste, and Rainwater) Pipes:** SWR pipes are specifically designed for drainage systems to carry soil, waste, and rainwater. They are made from high-quality PVC and are known for their leak-proof joints, durability, and resistance to chemicals. SWR pipes are used in residential, commercial, and industrial buildings for efficient waste disposal.
- e. Column Pipes:** Column pipes are strong, durable pipes used in submersible pump systems, typically for borewells.

They are designed to withstand high pressures and are commonly made from high-grade PVC or UPVC. Column pipes are essential for efficiently transporting water from underground sources to the surface.

- f. Multi-layer Composite Pipe:** Multi-layer composite pipes are designed with multiple layers of materials, typically combining metal and plastic. These pipes offer the benefits of both materials, such as flexibility, strength, and resistance to corrosion and high temperatures. They are used in various applications, including plumbing, heating, and gas distribution systems.
 - g. Overhead Water Storage Tanks:** These are large containers used to store water for domestic or industrial use, typically installed on rooftops. Overhead water storage tanks are made from materials like plastic, concrete, or metal, and are designed to hold water at a height, ensuring a consistent water supply through gravity flow.
 - h. Bath Fittings (PTMT Faucets and Other Accessories):** PTMT (“**Polytetra Methylene Terephthalate**”) faucets and accessories are made from a type of engineering plastic known for its strength, durability, and resistance to heat and chemicals. PTMT bath fittings include faucets, taps, showerheads, and other accessories, providing a cost-effective and long-lasting solution for bathroom fixtures.
- 3. Offering of our joint Venture:** Our joint venture namely Hintastica Private Limited offers water heaters and room heaters under the brand name ‘Hindware Atlantic’.
- **Water Heaters:** Devices used to heat water for residential or commercial purposes, typically installed in bathrooms and kitchens. Water heaters are designed to provide hot water through various methods such as electric heating elements or gas burners.
 - **Room Heaters:** Devices designed to provide heat in indoor spaces, typically used for residential or commercial purposes during colder weather. The room heaters sold by Hintastica Private Limited operate through various methods, such as electric heating elements or convection, to maintain warmth in enclosed environments.

SERVICES OFFERED:

Our company along with its subsidiaries provide a range of services related to its products, ensuring comprehensive support and customer satisfaction. The key services include:

- 1. Product Installation:** Professional installation services for range of products, including sanitaryware, kitchen appliances, bath fittings, and water storage solutions. This service ensures that products are installed correctly and adhere to industry standards.
- 2. After-Sales Service:** After-sales support, which includes maintenance and repair services for products. This service is intended to address any functional issues or defects that may arise post-purchase, ensuring continued product performance and customer satisfaction.
- 3. Warranty Services:** The warranty services include repairs and replacements of defective products within the warranty period, providing customers with assurance of product quality.
- 4. Spare Parts Supply:** Supporting product maintenance and repairs by providing customers and service centers with access to necessary components.
- 5. Technical Support:** Assistance with product-related queries and troubleshooting. This service aims to provide customers with expert advice and solutions for any technical issues encountered with Hindware products.

End users / Customers

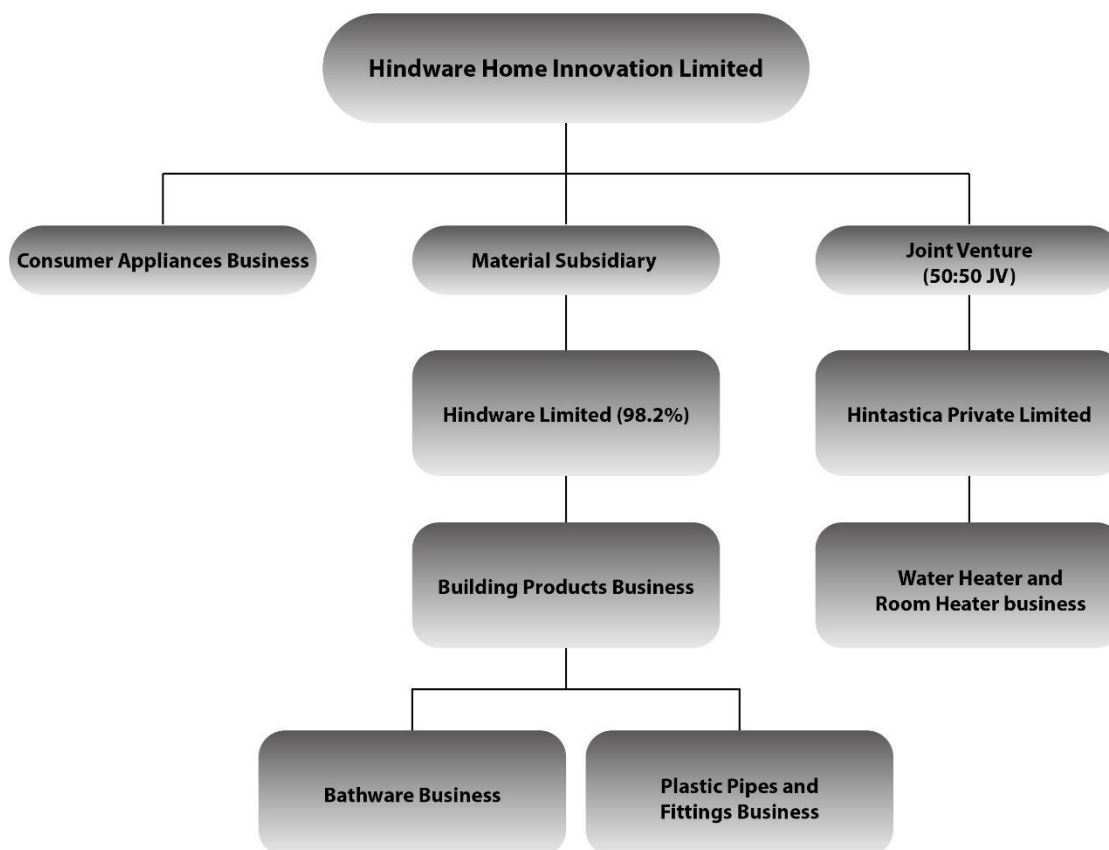
We serve a wide spectrum of customers, encompassing a diverse array of individuals and entities seeking innovative and high-quality home solutions. These customers span various segments, including but not limited to the following:

- 1. Brand Stores:** We engage with brand stores, which are established retail outlets specialising in showcasing and selling our business products. Our customers can explore and purchase a comprehensive range of products at these brand stores.
- 2. Retailers:** We collaborate with retailers, who are key intermediaries bridging the gap between the manufacturer and the end consumers. These retailers encompass a wide network of outlets, both physical and online, that feature our products. By partnering with retailers, we ensure that our products are easily accessible to a broad audience.

3. **Distributors:** The distribution network plays a crucial role in our outreach strategy. Distributors, acting as pivotal nodes within the supply chain, facilitate the efficient movement of our consumer appliances from manufacturing hubs to various retail points. By engaging with distributors, we ensure widespread availability and seamless access to its home innovations, enhancing the convenience for customers to acquire these state-of-the-art solutions.
4. **Online Channels:** We have developed an omni-channel presence, enabling us to maintain proximity to our customers. By seamlessly integrating multiple channels, including online platforms and physical retail stores, we ensure that our products are easily accessible to consumers and provide them with a convenient and immersive shopping experience.
5. **Institutional Customers:** We also have a dedicated team that serves institutional clients.

Corporate Structure

Our corporate structure is as follows:



Note: Retail business is discontinued vide Board Resolution of our Company dated May 28, 2024. The “Retail Business” of the company constitutes of furniture & furnishing retail done through subset of physical stores as well as franchise stores across India and online retail through website “www.evok.in”. The online business was carried through wholly owned subsidiary of the Company, EVOK Homes Private Limited, is in process of being discontinued.

PRINCIPAL ACTIVITIES OF THE COMPANY

I. TRADING

Hindware Home Innovation Limited (“**HHIL**”) is primarily engaged in the trading of a diverse range of Consumer Appliances Business. The company acts as a seller of products such as Kitchen Appliances, Air Coolers, Fans and Kitchen and Furniture Fittings. Through its extensive network, HHIL ensures the availability and accessibility of its products across various markets. The trading activities involve sourcing products from manufacturers, managing inventory, and delivering goods to retailers and end consumers, thereby facilitating efficient market reach and customer satisfaction. This trading focus supports HHIL's role in providing high-quality home improvement solutions to a broad customer base.

Our Company was also engaged in the trading of furniture and furnishings through retail business. It was primarily involved in sourcing its products from suppliers and subsequently selling them directly to customers through its offline own and franchise store. Retail business is discontinued vide Board Resolution of our Company dated May 28, 2024.

Hindware Limited (formerly Brilloca Limited) is engaged in the trading of wellness, allied products and tiles. Additionally, it also engaged in the trading of some product range in sanitaryware and faucets. The company focuses on sourcing a wide range of tiles from various manufacturers and supplying them to retailers and customers across different markets. This trading activity involves managing inventory, logistics, and distribution to ensure that high-quality tiles are readily available to meet market demand.

Evok Homes Private Limited (“EHPL”) is engaged in trading of furniture and furnishings. EHPL was primarily involved in sourcing its products from our Company and subsequently selling them directly to customers through its online retail platform, www.evok.in. Acting as a key channel for the retail distribution of our products, EHPL facilitated the sale and delivery of furniture and furnishings to a broad customer base, leveraging its e-commerce capabilities to enhance market reach and drive consumer engagement. The online business is discontinued vide Board Resolution of our Company dated May 28, 2024.

Our joint venture, Hintastica Private Limited is also engaged in trading of some product range of water heater and room heater. The trading activities involve sourcing products from manufacturers, managing inventory, and delivering goods to end consumers, thereby facilitating efficient market reach and customer satisfaction.

II. MANUFACTURING

Hindware Limited (formerly Brilloca Limited), a subsidiary of Hindware Home Innovation Limited, is engaged in the manufacturing of a diverse array of building products. It specializes in producing high-quality Bathware products, Plastic Pipes and Fittings. Hindware Limited operates manufacturing facilities equipped with advanced technology and automation to ensure precision and efficiency in production.

The manufacturing process involves the design, production, and quality control of building products that meet stringent industry standards. This includes the creation of innovative and durable solutions for modern construction needs. By leveraging its expertise and technological capabilities, Hindware Limited is able to deliver products that combine functionality with aesthetic appeal, catering to the evolving demands of the construction and home improvement markets.

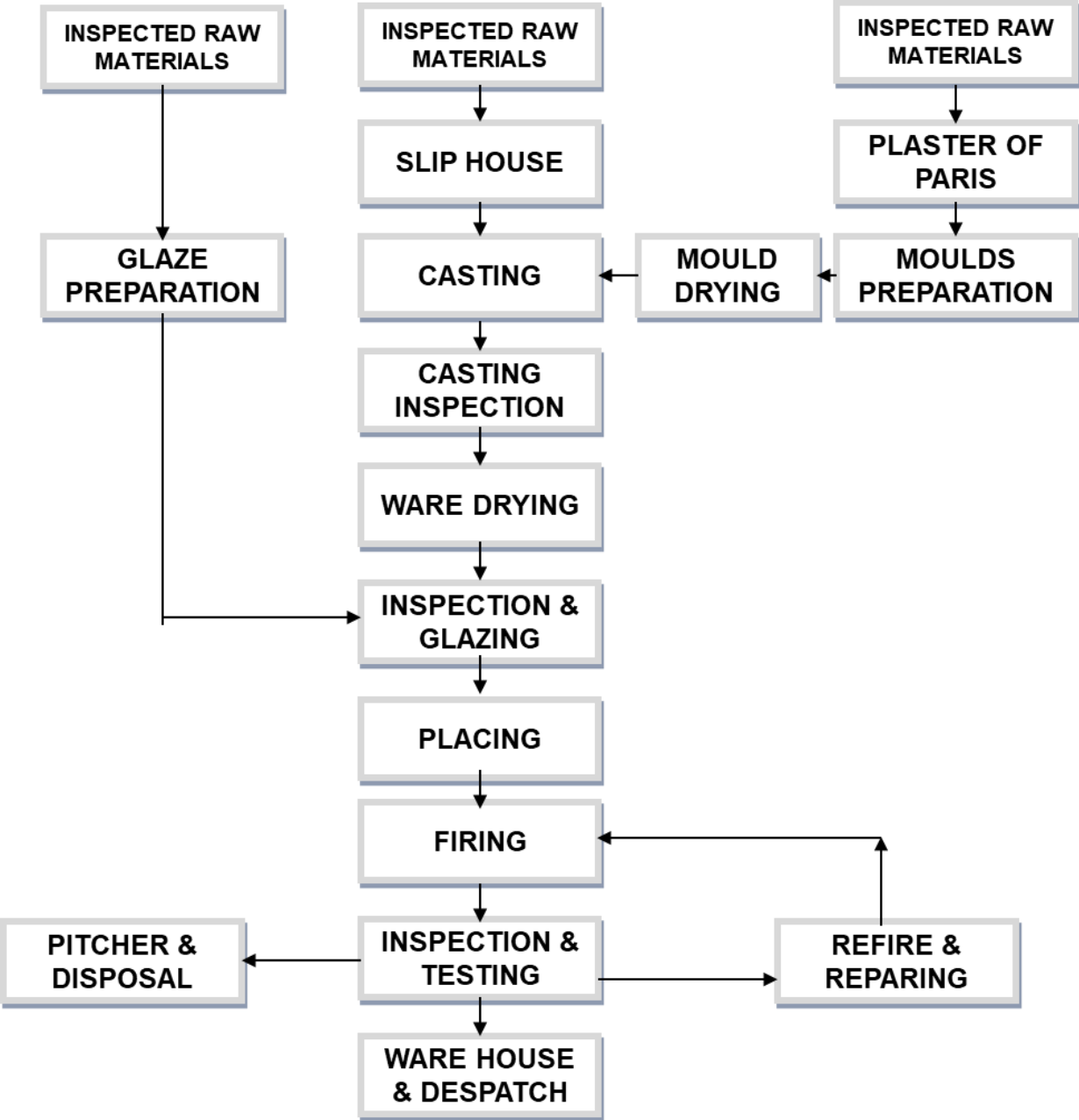
Our joint venture, Hintastica Private Limited, is engaged in manufacturing of water heater. Its manufacturing plant is fully integrated with all manufacturing processes and test laboratories (R&D & Quality both) available in-house. The plant was built with an environment-friendly design that incorporates advanced energy saving manufacturing equipment and harnesses renewable energy sources.

TRADING PROCESS:

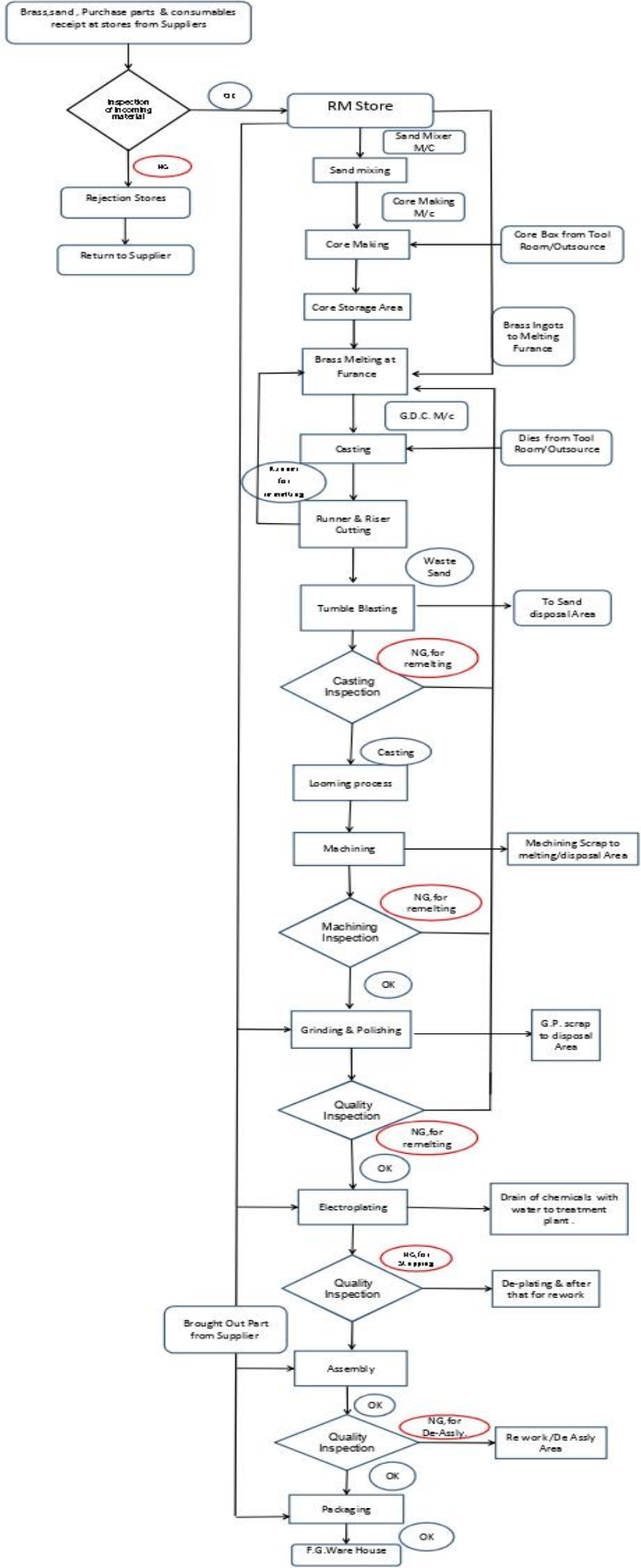
- 1. Supplier Sourcing:** We engage with a network of suppliers and manufacturers to source a diverse range of products. We negotiate terms, pricing, and delivery schedules to ensure a reliable supply of high-quality products.
- 2. Product Selection and Procurement:** We evaluate and select products based on market demand, quality standards, and supplier capabilities. This involves placing purchase orders and managing the procurement process to secure a consistent inventory of products.
- 3. Inventory Management:** We manage our inventory efficiently to meet customer demand while minimizing stockouts and excess inventory. This includes overseeing stock levels for our diverse product range and ensuring optimal availability of tiles.
- 4. Logistics and Distribution:** We handle the logistics of transporting products from suppliers to our warehouses and subsequently to retail outlets and end customers. This involves coordinating with logistics partners to ensure timely and secure delivery of both home improvement products and tiles.
- 5. Sales and Customer Service:** We facilitate sales through various channels, including retail and online platforms. Our customer service team is dedicated to addressing inquiries, processing orders, and managing returns or exchanges to ensure a satisfactory customer experience.

MANUFACTURING PROCESS:

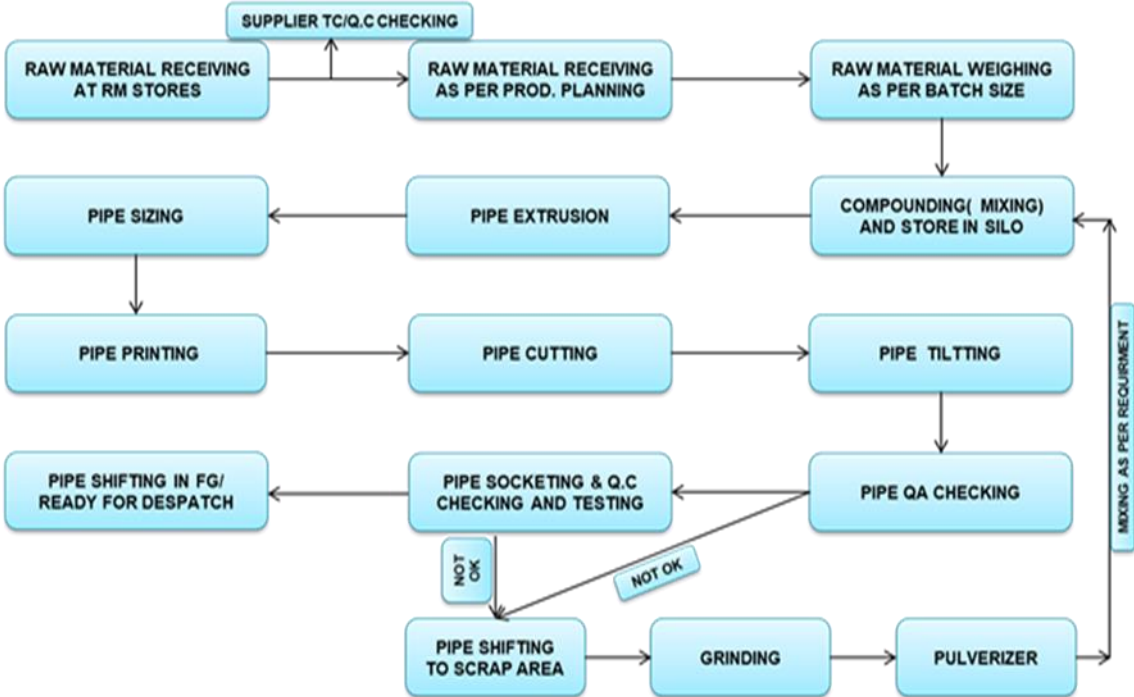
PROCESS FLOW CHART FOR SANITARYWARE MANUFACTURING



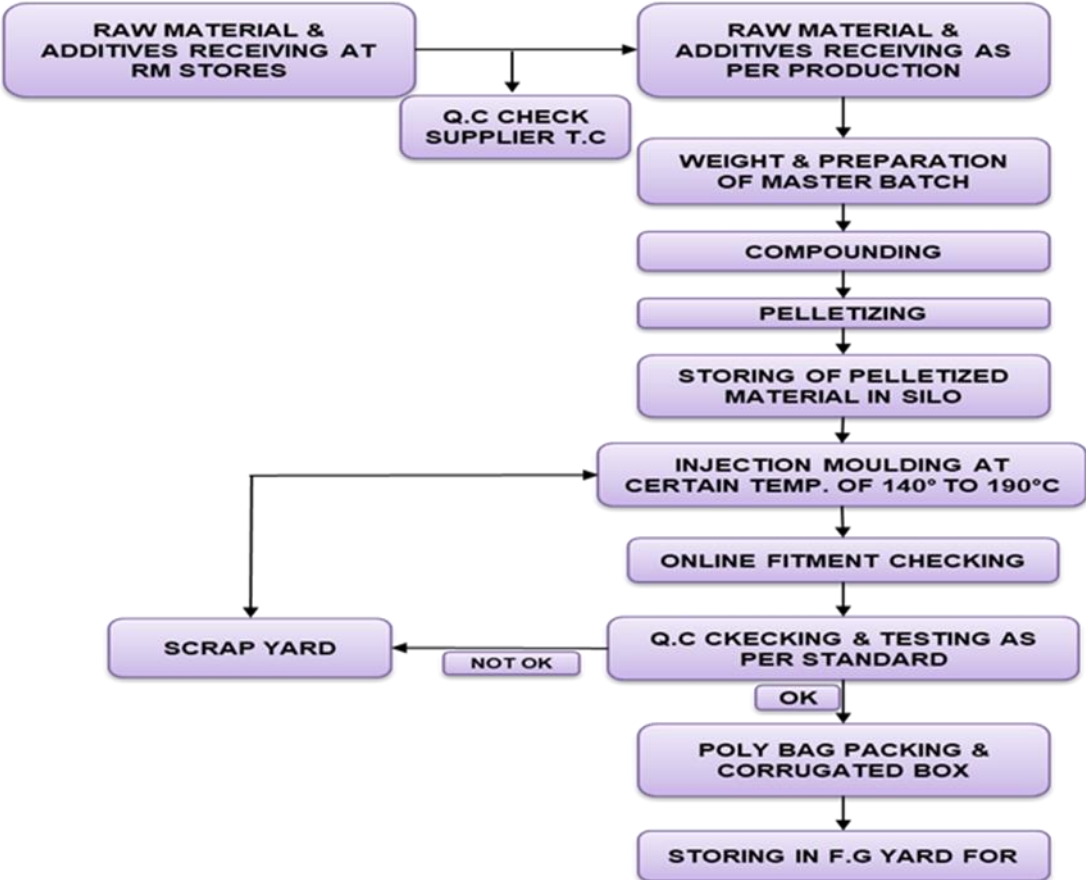
PROCESS FLOW CHART FOR FAUCETS MANUFACTURING



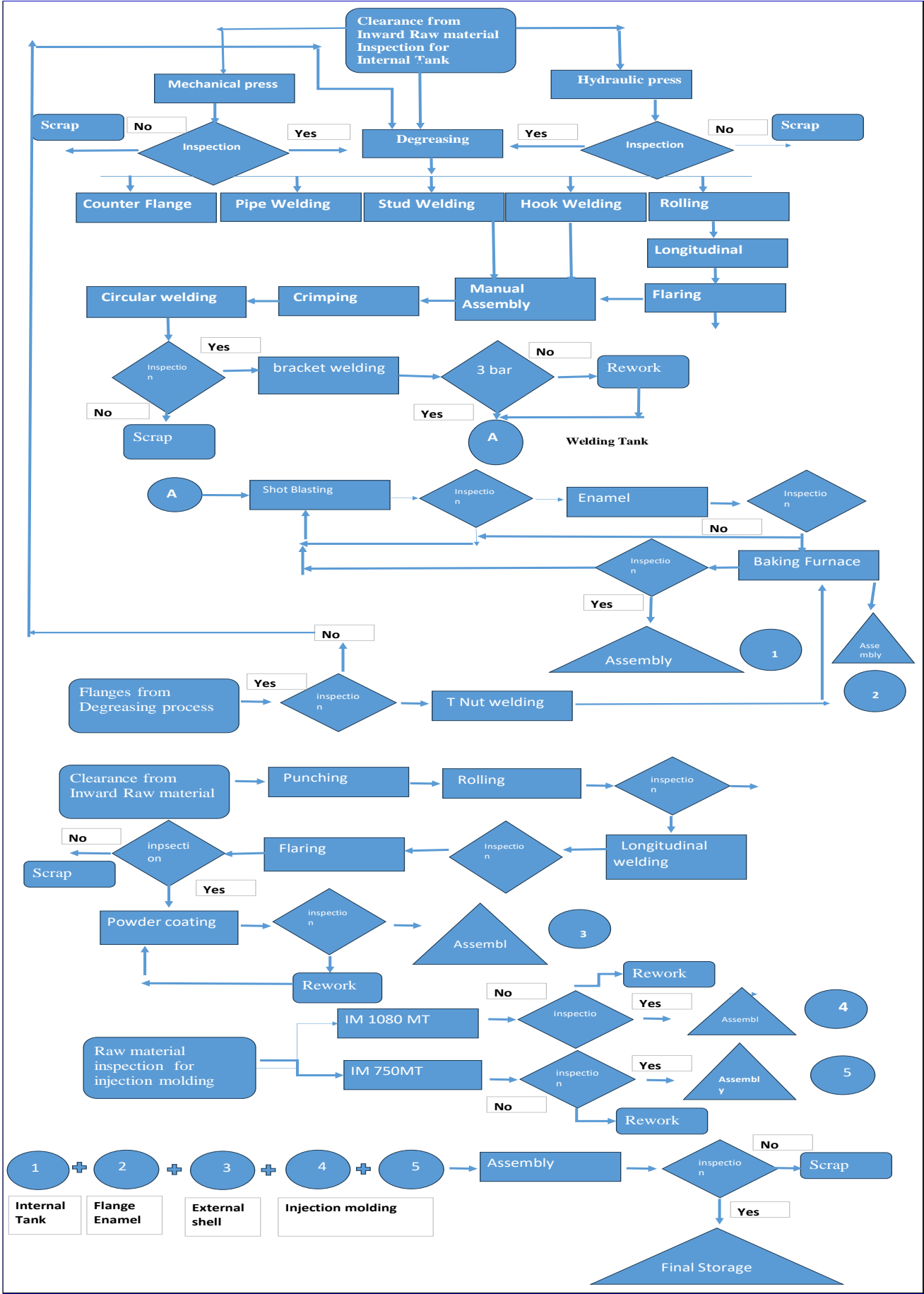
PROCESS FLOW CHART PVC & CPVC PIPES MANUFACTURING



PROCESS FLOW CHART PVC & CPVC FITTINGS MANUFACTURING



PROCESS FLOW CHART WATER HEATER MANUFACTURING



OUR PRESENCE

As on this Draft Letter of Offer, our company including subsidiaries, step down subsidiaries and joint venture company has a collective presence in India as well as outside India.

In India, our presence includes majority of the States and Union Territories.

Revenue bifurcation

₹ in Lakhs

Particulars	FY 2022-23	FY 2023-24	Q1 FY 2023-24	Q1 FY 2024-25
Building Products Segment				
-Domestic	3,97,201.63	4,10,108.74	87,282.88	85,619.51
-Export	7,002.42	5,667.26	1,400.93	1,142.74
Gross Sale of goods	4,04,204.05	4,15,776.00	88,683.81	86,762.25
Less: Discount/Rebate	1,79,407.15	1,85,618.82	37,536.96	38,737.79
Net Sales of goods (a)	2,24,796.90	2,30,157.18	51,146.85	48,024.46

Consumer Appliances Business

₹ in Lakhs

Particulars	FY 2022-23	FY 2023-24	Q1 FY 2023-24	Q1 FY 2024-25
-Domestic	56,605.47	49,350.48	12,172.49	12,100.91
-Export	289.91	196.27	83.52	54.92
Gross Sale of goods	56,895.38	49,546.75	12,256.01	12,155.83
Less: Discount/Rebate	7,292.17	7,905.44	1,836.84	1,185.84
Net Sales of goods (b)	49,603.21	41,641.31	10,419.17	10,969.99

Retail Business*

₹ in Lakhs

Particulars	FY 2022-23	FY 2023-24	Q1 FY 2023-24	Q1 FY 2024-25
-Domestic	5,587.39	2,232.74	1,085.81	(247.33)
-Export	11.53	-	-	-
Gross Sale of goods	5,598.92	2,232.74	1,085.81	(247.33)
Less: Discount/Rebate	134.31	43.25	35.62	11.71
Net Sales of goods (c)	5,464.61	2,189.49	1,050.19	(259.04)

Hindware Home Innovation Limited (Consolidated)

₹ in Lakhs

Particulars	FY 2022-23	FY 2023-24	Q1 FY 2023-24	Q1 FY 2024-25
-Domestic	4,59,394.49	4,61,691.96	1,00,541.18	97,473.09
-Export	7,303.86	5,863.53	1,484.45	1,197.66
Gross Sale of goods	4,66,698.35	4,67,555.49	1,02,025.63	98,670.75
Less: Discount/Rebate	1,86,833.62	1,93,567.51	39,409.42	39,935.34
Net Sales of goods (d = a + b + c)	2,79,864.73	2,73,987.98	62,616.21	58,735.41
Less: Inter segment revenue elimination (e)	9.20	4.96	0.03	2.48
Consolidated Sales of goods (f = d - e)	2,79,855.53	2,73,983.02	62,616.18	58,732.93

As certified by our statutory auditor vide certificate dated September 24, 2024

*The Board of Directors in its meeting held on May 28, 2024 had decided to discontinue operations of the Retail Business of furniture & furnishing business carried out by the Company and its Subsidiary Company Evok Homes Private Limited under brand EVOK.

PLANT & MACHINERY

As on the date of this Draft Letter of Offer, our company does not have any manufacturing plants in all product category. We supply exclusive designs to market and developed Moulds / Tools as per own designed products and these Moulds / Tools are being used by Suppliers/vendors for Production and supplies Finish Goods to us as per our sales requirement. The moulds / Tools for manufacturing the products are owned by us. The details of the plant and machinery are as follows:

Sr. No	Plant / Machinery	Use / Process
1	Moulds / Tools	For manufacturing to shape materials such as plastics, metals, rubber, thermacol etc. into a specific design or form

Manufacturing facilities of our subsidiary and joint venture have been built keeping in mind efficiency, safety and environmental factors. Our units have all the key ingredients for a successful manufacturing unit. We have made all endeavors in procuring the best equipment within the financial resources available that can effectively cater to customer needs. The major Plant and Machineries installed at our manufacturing facility includes:

SANITARYWARE

Sr. No	Plant / Machinery	Use / Process
1	Shuttle Kiln	For firing Critical product like EWC IPC
2	Tunnel Kiln	For Firing of Green Wares
3	Robotic Glazing System	For Automatic Spraying of green wares
4	New Tunnel Kiln – Refire	For Firing of Wares
5	Pressure casting machine	For Automatic Casting for better productivity & More Volume
6	Enervit Firing System For Kiln	Modifying the firing system to optimize fuel consumption
7	Shuttle Kiln	Batch-type firing kiln used for firing glazed green ware
8	Glazing Robot	For the atomized glazing process for green ware
9	HT Green Ware Dryer	For drying and reducing moisture in green ware

FAUCETS

Sr. No	Plant & Machinery	Use/Purpose
1	Effluent Treatment Plant	For Water Treatment
2	Robotic Cell for Grinding & Polishing	Robot for grinding & Polishing
3	CNC Milling Machine	VMC Machine for Machining Components
4	IMR LPDC Machine BP/C 155H for casting	Melting Brass/Casting
5	Automatic Nickle & Chrome Plating Line	Automatic Chrome Plating Line
6	Dual Head Auto LPDC Machine	Melting Brass/Casting

PIPES

Sr. No	Plant & Machinery	Use/Purpose
1	Extruder	An extruder heats, mixes, and shapes raw materials into pipes.
2	Injection Moulding Machines	To produce PVC pipe fittings, such as elbows, tees, sockets, valves, and couplers
3	Pelletiser Machine	To process plastic waste and raw materials into pellets
4	Belling Machine	To widen the end of a plastic pipe to create a socket for joining it to another pipe.
5	Mixing plant with panel combimix HC -800/2500/FV	It is used for PVC dry blend, powder coatings, masterbatch and pigments, thermoplastic rubbers, wood plastic composites
6	High speed PVC Compound Mixer cool	It uses a hot mixer and a cooling mixer to compound PVC resin with other materials

WATER HEATER

Sl. No.	Plant/ Machinery	Use / Process
1	Hydraulic press	Forming of sheet metal caps
2	Mechanical press	Forming & pressing of small metal parts/ accessories.
3	Injection Molding	Plastic body parts production
4	Painting Line	Outer shell and wall bracket painting
5	PU Foaming	Puff injection between tank and outer shell for insulation
6	Shot Blasting	Blasting inside of the metal tank
7	Furnace	Baking of Enamel coating

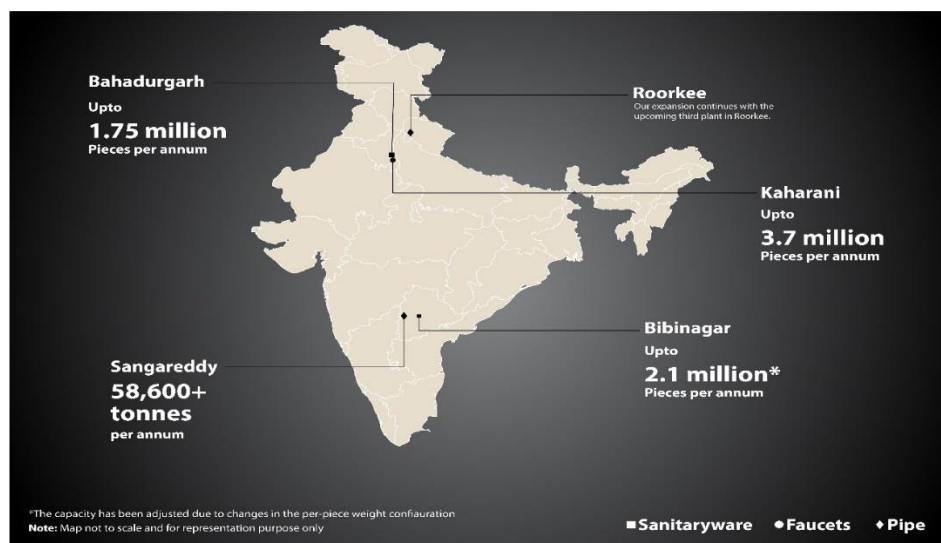
EXISTING PRODUCTION CAPACITY AND CAPACITY UTILISATION:

Since our Company does not own any Plant and Machinery, disclosure of existing production capacity and capacity utilization is not applicable. Nonetheless, Hindware Limited, our subsidiary, owns plant and machineries situated in manufacturing facilities in different locations in India.

Product	Location	Annual Production Capacity	Capacity Utilisation (FY 24)
Sanitaryware	Bibinagar	Upto 2.1 million ¹ Pieces per annum	~76%
	Bahadurgarh (under lease)	Upto 1.75 million Pieces per annum	
Faucets	Kaharani	Upto 3.7 million Pieces per annum	~44%
Pipes*	Sangareddy (Isnapur) (under lease)	58,600+ Tonnes	~ 76%
	Roorkee*	12,500 Tonnes	Not applicable

* Upcoming Facility to be operational by end of FY25.

¹The capacity has been adjusted due to changes in the per-piece weight configuration.



OUR COMPETITIVE STRENGTHS

- **Broad Product Portfolio:** Our diverse portfolio of quality products with cutting-edge designs cater to varied consumers' needs.
- **Advanced Technology:** Products are supported by contemporary technology that is globally benchmarked. With our technological prowess, we regularly introduce new variants under our existing product portfolio that are in sync with our fast-paced approach to business.
- **Wide Distribution Network:** We have a network of 1,300+ distributors and 14,000+ retail outlets across India. Our products are also sold through e-commerce platforms such as Amazon, Flipkart, Paytm, Snapdeal and Tata CLiQ, among others. In addition to this, the products have a robust presence across modern retail format stores such as

Reliance Digital, Walmart, Spencers, Metro Cash and Carry, among others.

- **Experienced senior management:** Our senior management team consists of individuals with strong academic backgrounds in the requisite fields of business management, engineering and commerce. Our senior management team has considerable experience in the electrical, consumer durables, consumer goods and engineering industries with key members having worked in these industries for over several decades.
- **Consistent Product Launches:** Today's consumers have high expectations. Besides convenient and personalised products and services, they also are on the constant lookout for new products. Our manufacturing speed and flexibility help us in addressing such consumer demands with new product launches at regular intervals in the market.

OUR BUSINESS STRATEGY

Our strategic pillars guide our mission to innovate and excel. These form the foundation of our success, with a focus on customer centricity and sustainable growth. By embracing them, we aim to enhance our market leadership and deliver unmatched value to our stakeholders.

Introducing Innovative Products across Categories: We strategically launch products to stay ahead in a dynamic environment and meet customer needs. Collaborative efforts with consumers, researchers, and academia ensure we have the right market and consumer insights which we then integrate with technology to introduce products that resonate with our audience, gaining significant market share and industry leadership.

Leveraging Distribution Channels: We are effectively utilising diverse distribution networks to market innovative products and create cross-selling opportunities. Our close trade partnerships offer valuable customer preference insights into customer preferences, allowing us to launch products tailored to their needs. Additionally, our adaptability to market requirements has been instrumental in embracing new distribution channels, particularly in the digital landscape.

Capitalizing Efficient Model: We emphasize further improving long-term return on capital ratios by being a completely integrated player, combining high-quality, versatile manufacturing and sourcing with a robust supply chain to ensure the efficient delivery of a wide range of quality products.

Multiplying Revenue Streams: We continue to diversify our product mix across categories, positioning us to establish a distinct market presence and strong brand recognition. We are also expanding in the rapidly growing Plastic Pipes and Fittings segment, capitalizing on its growth potential. Our product and category expansion strategy helped us increase our addressable market by entering into new business and product categories in the past few years.

SWOT ANALYSIS

Strengths

- **Experienced Promoters :** The company benefits from the knowledge and expertise of its promoters, who have significant experience in the industry, guiding the company towards growth and stability.
- **Significant Reputation and Brand:** A strong brand and good reputation in the market help in building customer trust and loyalty, leading to sustained business.
- **Products available at multiple price point:** Offering products at various price points allows the company to cater to different customer segments, increasing market reach and sales.
- **Availability of skilled manpower:** Access to skilled and trained personnel ensures high-quality production and efficient operations.
- **Wide spread distribution network:** A broad distribution network helps in reaching a larger customer base, ensuring product availability across different regions.
- **State of the art Manufacturing facilities:** Advanced manufacturing facilities enhance production efficiency, product quality, and innovation capabilities.
- **Excellent and long term relationship with Vendors:** Strong relationships with vendors ensure a reliable supply chain, timely procurement of materials, and potentially better pricing.

Threats

- **Operational Ineffectiveness:** Inefficiencies in operations can lead to increased costs, delays, and reduced profitability.
- **Competitive Industry:** High competition can lead to price wars, reduced market share, and pressure on margins.
- **Change in customer preferences:** Shifts in customer preferences can impact demand for existing products, requiring the company to adapt quickly to new trends.

Opportunities

- **Utilisation of unutilized Manufacturing Facilities:** Leveraging unused manufacturing capacity can increase production without significant additional investment, boosting revenue.
- **Targeting of untouched markets** - Entering new markets or product lines can provide new revenue streams and reduce dependency on existing markets.

Weakness

- **Dependency on procurement of materials:** Heavy reliance on external suppliers for materials can lead to supply chain disruptions and increased costs.
- **Unstable and Changing Market Demand:** Fluctuating demand can lead to overproduction or stockouts, impacting sales and profitability.

MARKETING STRATEGY

Business Verticals	Marketing strategy	Targeted Users
Consumer Appliances Business, Water Heaters and Room Heaters	We focus on expanding the kitchen appliances sector and increasing accessibility by opening more kitchen galleries nationwide. We will continue to enhance our product portfolio to meet evolving consumer needs and reduce reliance on imports across all categories. Additionally, we remain committed to cost optimisation initiatives, ensuring efficient operations and sustainable growth. This strategic approach positions us to uphold our prominent position in the industry and drive innovation.	Brand Store, Retailers, Distributors, Online Channels, and Institutional Customers
Building Products	Bathware: Our strategy centres on enhancing customer experiences through standardised brand stores, creating a welcoming atmosphere complemented by curated buying experiences delivered by highly skilled bath consultants with in-depth product knowledge. To ensure sustained growth, we will analyse our distribution channels to identify untapped market opportunities. We will also expand our product range to meet evolving customer preferences and focus on strengthening our premium offerings. To build brand awareness and drive sales, we will intensify our marketing efforts, leveraging influencer partnerships with architects, interior designers, and plumbers. Additionally, we will continue to explore growth opportunities within the institutional market segment through a strategic approach.	Brand Stores, Retailers, Distributors, Online Channels and Institutional Customers

	Pipes: We adopt a multi-pronged strategy to drive growth and expand our market footprint. This includes scaling up our distribution to new regions, enhancing our product portfolio with higher value added segments, and leveraging influencer marketing to build brand awareness. Additionally, expanding our Roorkee plant will create new opportunities and strengthen our overall market position.	
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INFRASTRUCTURE FACILITIES

Our Registered Office, Corporate Office, Godowns and Retail Stores are well equipped with computer systems, internet connectivity, other communication facility, machinery and equipment, security and other facilities which are required for our business operations to function smoothly.

HUMAN RESOURCES

An effective and efficient human resource are a key to the success of any organization and the Company has been well focused in adopting the best standards in the industry which not only gives us the benefit of attracting good talent but gives us an edge towards providing best qualitative services to our customers. Our manpower is a mix of experienced and young talent pool of resources which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our management team have enabled us to successfully implement our growth plans. As on June 30, 2024, HHIL has 373 permanent employees on the rolls and 99 on contracts.

QUALITY CERTIFICATIONS

Our Company has not obtained any quality certifications.

INTELLECTUAL PROPERTIES

List of Trademarks of our Company:

Sl. No.	Status of Trademarks	No. of trademarks in the status
1	Registered	380
2	Accepted & Advertised	30
3	Opposed	46
4	Accepted	1
5	Accepted & Advertised ¹	3
6	Abandoned ²	1
7	Refused ³	1
8	Formalities Chk Pass	1
9	Objected by TMR	32
10	Rectification/Cancellation of Registered TM ⁴	2
	TOTAL	497

¹Since Somany Ceramics Ltd did not oppose the mark within deadline therefore they have filed the Interlocutory Petition on 25.11.2022

²This mark has been abandoned. We have filed the review petition.

³This mark has been refused. We have filed the Review Petition.

⁴Acer & Somany Home Innovation Limited are our registered trademark but post registration, a cancellation/rectification application has been filed before the Trademark Registry by Acer and Somany Ceramics Ltd respectively.

Some of the trademarks used by our Company is registered and opposed in the name of HSIL Limited (currently known as AGI Greenpac Limited). Our Company has filed applications with the trademark registry to transfer the marks in the name of our Company.

Trademarks reflecting in the name of AGI Greenpac Limited

Sl. No.	Status of Trademarks	No. of trademarks in the status
1	Registered	40
2	Opposed	1

	TOTAL	41
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Some of the trademarks used by our Company is registered in the name of Hindware Home Retail Private Limited (currently known as Evok Homes Private Limited). Our Company has filed applications with the trademark registry to transfer the marks in the name of our Company.

Trademarks reflecting in the name of Evok Homes Private Limited

Sl. No.	Status of Trademarks	No. of trademarks in the status
1	Opposed	1
	Total	1

OUR MANAGEMENT

A) Board of Directors

As per the Articles of Association, unless otherwise determined by our Company in a general meeting vide a special resolution, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. As on the date of this Draft Letter of Offer, we have six (6) Directors on our Board, which includes, two (2) Non-Executive Non-Independent Directors, and four (4) Independent Directors, including a Woman Independent Director. The Chairman is a Non-Executive Non-Independent Director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations.

The detailed composition is as follows:

Sl. No.	Name of the Director	DIN	Age	Designation
1.	Sandip Somany	00053597	60 Years	Chairman and Non-Executive Director
2.	Girdhari Lal Sultania	00060931	78 Years	Non-Executive Director
3.	Nand Gopal Khaitan	00020588	73 Years	Independent Director
4.	Ashok Jaipuria	00214707	71 Years	Independent Director
5.	Salil Kumar Bhandari	00017566	66 Years	Independent Director
6.	Anisha Motwani	06943493	61 Years	Independent Director

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Sl. No.	Particulars	Details
1.	Name of the Director	Sandip Somany
	Residential Address	H. no. 13, Golf Links, Lodhi Road, New Delhi Central Delhi, Delhi - 110003
	Date of Birth	December 16, 1963
	Age	60 Years
	Designation	Chairman and Non-Executive Non-Independent Director
	DIN	00053597
	Occupation	Entrepreneur
	Date of Appointment	September 28, 2017
	Date of expiration of current term	Until resignation or removal
Directorship / Partnership in other companies / LLP	<ul style="list-style-type: none"> • Indraprastha Medical Corporation Limited • AGI Glasspack Limited • National Skill Development Corporation • Hintastica Private Limited • Grindlay Properties Private Limited • Hindware Limited • AGI Greenpac Limited • Somany Impresa Limited • Somany Faucets and Showers Private Limited • Indian Council of Sanitaryware Manufactures • JK Paper Limited • Truflo Pipes Limited • HEG Limited • New Delhi Industrial Promotors and Investors Ltd (Amalgamated) 	

Sl. No.	Particulars	Details
2.	Name of the Director	Girdhari Lal Sultania
	Residential Address	2 Rowland Road, Near Hindusthan Club, L.R. Sarani S.O., Kolkata - 700020, West Bengal, India
	Date of Birth	October 16, 1945
	Age	78 Years

Designation	Non-Executive Non-Independent Director
DIN	00060931
Occupation	Consultant
Date of Appointment	February 08, 2023
Date of expiration of current term	February 07, 2026; liable to retire by rotation
Directorship / Partnership in other companies / LLP	<ul style="list-style-type: none"> • Anand Apartment Maintenance Private Limited • Evok Homes Private Limited • Ayusri Health Products Limited • Raipur Agrotech Pvt Ltd • AGI Glasspack Limited • Textool Mercantile Pvt. Ltd. • Hindware Limited • AGI Greenpac Limited • Somany Impresa Limited • Garden Polymers Private Limited (Amalgamated) • Truflo Pipes Limited • Reliance India Realty Opportunities LLP • Pioneer Resins & Aromatics Private Ltd (Amalgamated) • T K Ghosh Investment Pvt Ltd (Amalgamated) • Scope Vinimoy Private Limited (Amalgamated) • LNR Exports Pvt Ltd (Amalgamated) • LNR Investments and Trades P Ltd (Amalgamated) • Luxxis Heating Solutions Private Limited (Strike Off)

Sl. No.	Particulars	Details
3.	Name of the Director	Nand Gopal Khaitan
	Residential Address	3, Queens Park, Ballygunge, Kolkata - 700019
	Date of Birth	May 21, 1951
	Age	73 Years
	Designation	Independent Director
	DIN	00020588
	Occupation	Advocate
	Date of Appointment	September 14, 2019
	Date of expiration of current term	September 13, 2024; Not liable to retire by rotation
	Directorship / Partnership in other companies / LLP	<ul style="list-style-type: none"> • Shyam Metalics And Energy Limited • Xenix Servis Pvt Ltd • Ushodaya Marketing Pvt Ltd • Srijan Vinimay Private Limited • Rowdon Business Pvt Ltd • Bharat Chamber of Commerce • AGI Greenpac Limited • Reliance Chemotex Industries Ltd • Mangalam Cement Ltd • Khaitan & Co LLP • Biral Institute of Management and Technology (BIMTECH)

Sl. No.	Particulars	Details
4.	Name of the Director	Ashok Jaipuria
	Residential Address	1/27, Shanti Neketan, Moti Bagh, Chanakya Puri, New Delhi, Delhi, 110021
	Date of Birth	September 11, 1953
	Age	71 Years
	Designation	Independent Director

DIN	00214707
Occupation	Entrepreneur
Date of Appointment	September 14, 2019
Date of expiration of current term	September 13, 2024; Not liable to retire by rotation
Directorship / Partnership in other companies / LLP	<ul style="list-style-type: none"> • Cosmo First Limited • Hindware Limited

Sl. No.	Particulars	Details
5.	Name of the Director	Salil Kumar Bhandari
	Residential Address	A-42. Ground Floor, Block-A, Chittaranjan Park, South Delhi Kalkaji, Delhi - 110019
	Date of Birth	November 28, 1957
	Age	66 Years
	Designation	Independent Director
	DIN	00017566
	Occupation	Professional
	Date of Appointment	September 14, 2019
	Date of expiration of current term	September 13, 2024; Not liable to retire by rotation
	Directorship / Partnership in other companies / LLP	<ul style="list-style-type: none"> • BGJC Consulting Private Limited • Greenpanel Industries Limited • BSL Wulfing Ltd. (Amalgamated) • Integrated Outsourcing Solutions Private Limited • Hindware Limited • Safal Skills Development Private Limited • Syenergy Environics Limited • Ginni International Ltd. (Transfer from Delhi to Raj.)

Sl. No.	Particulars	Details
6.	Name of the Director	Anisha Motwani
	Residential Address	8/24, South Patel Nagar, Patel Nagar, Central Delhi, Delhi - 110008
	Date of Birth	June 21, 1963
	Age	61 Years
	Designation	Independent Director
	DIN	06943493
	Occupation	Entrepreneur
	Date of Appointment	February 11, 2020
	Date of expiration of current term	February 10, 2025; Not liable to retire by rotation
	Directorship / Partnership in other companies / LLP	<ul style="list-style-type: none"> • Raymond Lifestyle Limited • Motherson Sumi Wiring India Limited • Ceigall India Limited • Godrej Finance Limited • Versuni India Home Solutions Limited • Dvara Kshetriya Gramin Financial Services Private Limited • Star Health and Allied Insurance Company Limited • Abbott India Limited • Nuvama Wealth Management Limited • She Matters LLP

Past Directorships in listed companies

- a) *Details of current and past directorship(s) for a period of five years in listed companies for each Director mentioned above, whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure:*

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last five years preceding the date of this Draft Letter of Offer.

- b) *Details of current and past directorship(s) in listed companies for each Director mentioned above, who have been/were delisted from the stock exchange(s) during his/her tenure in the past five years:*

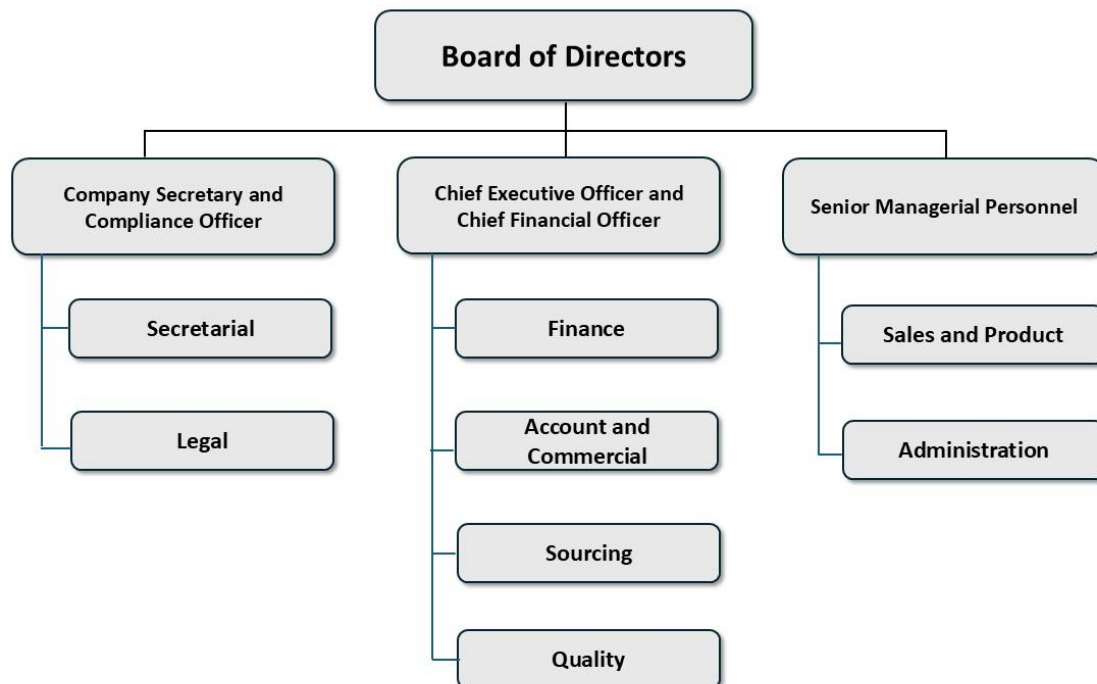
None of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such company during the last five years preceding the date of this Draft Letter of Offer.

B) Our Key Managerial Personnel and Senior Management

Sr. No.	Particulars	Designation
Key Managerial Personnel		
1.	Payal M Puri	Company Secretary and Sr. V P Group General Counsel
2.	Naveen Malik	CFO & CEO
Senior Management (excluding Key Managerial Personnel)		
1.	Alok Mishra	Senior Vice President
2.	Amit Bali	Financial Controller
3.	Nikhil Maheshwari	Vice President
4.	Mahesh Choudhary	President – Sales & Product

C) Current Organizational Structure

Set forth is the Board Hierarchy and organization structure of the Company:



SECTION VII: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page number
1.	Audited Consolidated Financial Statements of our Company	104
2.	Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2024	166

Independent Auditor's Report

To the Members of Hindware Home Innovation Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated financial statements of Hindware Home Innovation Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture (jointly controlled entity), which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2024, their consolidated profit including their other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, other than the unaudited financial statements/ financial information of a company as certified by the management and referred to in and financial information not available as referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matter	How our audit addressed the key audit matters
<p>Recognition of revenue (as described in Note 31 of the consolidated financial statements)</p> <p>The group recognizes revenues when the control of goods and/or services are transferred to the customer at an amount that reflects the net consideration, which the Group expects to receive for those goods and/or services from customers in accordance with the terms of the contracts. In determining the sales price, the Company considers the effects of applicable rebates, and discounts (variable consideration).</p> <p>The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of discount and rebates arrangements, create complexities that require judgment in determining sales revenues.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> We read and evaluated the Group revenue recognition policy and assessed its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. We assessed the design and tested the operating effectiveness of internal controls related to sales and applicable rebates/ discounts. We performed test for a sample of sales transactions by comparing the underlying sales invoices, sales orders and other related documents to assess that revenue is recognized on transfer of control to the customer in accordance with the terms of the contract.

Description of Key Audit Matter	How our audit addressed the key audit matters
<p>Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.</p>	<p>iv. We tested on a sample basis rebates and discount schemes as approved by the management to assess its accounting. For the samples selected, we also compared that the actual rebates and discounts recognized in respect of particular schemes do not exceed their approved amounts.</p> <p>v. We tested on a sample basis, that revenue has been recognized in the proper period with reference to the supporting documents including confirmations from customers.</p> <p>We read and assessed the relevant disclosures made in the consolidated IND AS financial statements</p>

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT'S AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive

income, consolidated statement of changes in equity and consolidated cash flows of the Group and joint venture in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and joint venture for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and joint venture are responsible for assessing the ability of the Group and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and joint venture are also responsible for overseeing the financial reporting process of the Group and joint venture.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. The consolidated financial statement include the audited financial statement of three subsidiaries, whose financial statements/financial information reflect total assets of ₹ 28.36 Lakhs as at 31 March 2024, total revenue of ₹ 187.48 Lakhs, total net profit / (loss) after tax of (₹ 1070.92 lakh), total comprehensive income of (₹ 1070.86 Lakh) for year ended 31 March 2024 and net cash outflow of ₹ 5.68 Lakhs for the period from 01 April, 2023 to 31 March 2024, as considered in the consolidated financial statement. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us are as stated in paragraph above.
2. We did not audit the financial statement of one foreign subsidiary whose financial statement reflect total assets of ₹ 16.68 lakhs as at 31 March 2024, total revenue of ₹ Nil, total net profit / (loss) after tax of (₹ 6.20 Lakhs), total comprehensive income of (₹ 6.29 lakhs) for the year ended 31 March 2024 and net cash outflow of ₹ 0.55 lakhs for the period from 01 April, 2023 to 31 March 2024, as considered in the consolidated financial Statement. The financial statement and other information have been prepared in accordance with accounting principles generally accepted in their

respective country and which have been certified by the management. The Company's management has converted the financial statements which have been certified by a independent Chartered Accountant in India and other information of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is solely based on the conversion adjustments prepared by the management of the Company and certified by a Chartered Accountant in India and audited by us. In our opinion and according to the information and explanations given to us by the Board of Director these financial statement are not material to the group.

3. Certain of these subsidiaries are located outside India whose financial statements and other information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by their respective auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements which have been certified by a Chartered Accountant in India and other information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is solely based on the report of other auditors, the conversion adjustments prepared by the management of the Company and certified by a Chartered Accountant and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors / independent firm of chartered accountants for the purpose of preparation of these consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A", a statement on the matter specified in paragraph 3(xxi) of CARO 2020
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the of Companies (Audit & Auditors) Rules, 2014 ("Rules").
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and its subsidiaries and its joint venture incorporated in India and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the rules.
- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditor's reports of the Holding Company and its subsidiary companies and its joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and joint venture – Refer Note No. 43 of the Consolidated Financial Statements.
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary and its joint venture companies incorporated in India.
- iv. (a) The respective management of the Holding Company and its subsidiaries and its joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share

premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or joint venture to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries or joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Management of the Holding Company and its subsidiaries and its joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding Company or any of such subsidiaries or joint venture from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries or joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiaries and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that

the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contains any material mis-statement.

- v. The dividend declared and paid during the year by the Holding Company and its subsidiary companies incorporated in India, is in compliance with Section 123 of the Companies Act 2013.
- vi. Based on our examination which included test checks, and that performed by the respective auditors of its subsidiaries and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company, subsidiaries and joint venture have widely used ERP / Other Software as their accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the said software except:
- i) in case of Holding Company and three subsidiaries incorporated in India, as assessed by us and communicated by the auditor of such subsidiaries, (a) the audit trail feature was not enabled throughout the year for certain relevant tables at the application level ; and (b) that the audit trail (edit log) for certain information at database level (which records only modified values) was not enabled during the year.; and
- ii) in case of one joint venture incorporated in India, as communicated by the auditor of such joint venture, (a) the audit trail feature was not enabled throughout the year for certain relevant tables at the application level; and (b) that the audit trail (edit log) for certain information at database level (which records only modified values) was not enabled during the year

During the course of performing our procedures, we and the respective auditors of such subsidiaries and joint venture, did not notice any instance of the audit trail feature being tempered with for the period the audit trail feature was enabled.

- i) With respect to the other matter to be included in the Auditors' report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid by the Holding company to its directors during the

year and its subsidiaries and its joint venture which are incorporated in India is in accordance with the provisions of Section 197 of the Act.

For **LODHA & CO LLP**

Chartered Accountants

Firm Registration No: 301051E/E300284

Shyamal Kumar

Partner

Membership No. 509325

UDIN- 24509325BKABTP2885

Place: New Delhi

Date: 28 May 2024

Annexure "A" to Independent Auditor's Report

Referred to in of the Independent Auditor's Report of even date to the members of Hindware Home Innovation Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024. As required by paragraph 3(xxii) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone/consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

No.	Name of the Company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
1.	Hindware Limited	U74999WB2017PLC223307	Subsidiary	ii(b), vii(a), vii(b)
2.	Truflo Pipes Limited	U25205WB2022PLC254788	Subsidiary	xvii
3.	Evok Homes Private Limited (formerly Hindware Home Retail Private Limited)	U51109WB2005PTC106307	Subsidiary	xvii
4.	Hintastica Private Limited	U31909WB2019PTC234717	Joint venture	ii(b), xvii
5.	Hindware Home Innovation Limited	L74999WB2017PLC222970	Holding Company	ii(b), vii(b), xvii

For **LODHA & CO LLP**
Chartered Accountants
Firm Registration No: 301051E/E300284

Shyamal Kumar
Partner
Membership No. 509325

Place: New Delhi
Date: 28 May 2024

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to the consolidated financial statements of Hindware Home Innovation Limited ("the Company" or "the Holding Company"), its subsidiary companies and joint venture which are incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies and joint venture which are companies incorporated in India responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to the Holding company and its subsidiary companies and joint venture, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Group, its Subsidiary companies and joint venture, which are incorporated in India have maintained, in all material respects, an adequate internal financial controls system with reference to these Consolidated Financial Statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting

criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to two subsidiaries, which is company incorporated in India, is based on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of this matter.

For **LODHA & CO LLP**

Chartered Accountants

Firm Registration No: 301051E/E300284

Shyamal Kumar

Partner

Place: New Delhi

Date: 28 May 2024

Membership No. 509325

Consolidated Balance Sheet

as at 31 March 2024

Particulars	Note	₹ in lakh)	
		As at 31 March 2024	As at 31 March 2023
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4a	70,114.88	65,268.35
(b) Right-to-use Asset	4a	21,228.47	25,515.74
(c) Capital work-in-progress	4b	5,388.57	3,580.23
(d) Goodwill	4c	191.00	191.00
(e) Other intangible assets	5	218.96	221.25
(f) Other intangible assets under development	6	142.60	43.21
(g) Financial assets			
(i) Investments	7	10,351.46	8,794.55
(ii) Other financial assets	8	1,127.80	893.00
(h) Income-tax assets (net)	9	649.92	273.63
(i) Deferred tax assets (net)	10	5,325.70	3,627.15
(j) Other non-current assets	11	6,051.43	2,112.60
Total non-current assets		1,20,790.79	1,10,520.71
2 Current assets			
(a) Inventories	12	58,936.13	68,376.70
(b) Financial assets			
(i) Trade receivables	13	45,334.46	37,761.01
(ii) Cash and cash equivalents	14	2,922.10	919.90
(iv) Bank balances other than (iii) above	15	10.59	7.00
(vi) Other financial assets	16	1,313.59	1,435.88
(c) Other current assets	17	12,723.61	11,244.10
Total current assets		1,21,240.48	1,19,744.59
Total assets		2,42,031.27	2,30,265.30
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	18	1,445.93	1,445.93
(b) Other equity	19	58,337.13	56,128.37
Equity attributable to the equity holders of the parent		59,783.06	57,574.30
(c) Non-controlling interest		886.24	728.00
Total equity		60,669.30	58,302.30
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	33,919.72	32,805.23
(ii) Lease liabilities	21	18,041.37	21,357.10
(iii) Other financial liabilities	22	5,751.04	4,954.92
(b) Provisions	23	1,450.81	1,335.26
(c) Other non-current liabilities	24	554.35	477.08
Total non-current liabilities		59,717.29	60,929.59
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	49,749.85	38,362.57
(ii) Lease liabilities	26	2,909.21	3,228.53
(ii) Trade payables	27		
- Due to micro and small enterprise		6,174.98	5,950.16
- Due to others		25,021.94	23,771.94
(iii) Other financial liabilities	28	28,044.50	29,694.55
(b) Other current liabilities	29	9,305.07	9,418.60
(c) Provisions	30	439.13	607.06
Total current liabilities		1,21,644.68	1,11,033.41
Total liabilities		1,81,361.97	1,71,963.00
Total equity and liabilities		2,42,031.27	2,30,265.30

The accompanying notes form an integral part of the Consolidated financial statements.
As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & CO LLP**
Chartered Accountants
Firm Registration No.:301051E/E300284

G.L. Sultania
Director
DIN: 00060931

Sandip Somany
Chairman
DIN: 00053597

Shyamal Kumar
Partner
M. No. 509325
Place: New Delhi
Date: 28 May 2024

Payal M Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Executive Officer and Chief Financial Officer

Place: Gurugram
Date: 28 May 2024

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

(₹ in lakh)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
I Income			
Revenue from operations	31	2,80,003.20	2,87,228.97
Other income	32	3,716.16	3,560.76
Total income		2,83,719.36	2,90,789.73
II Expenses			
Cost of materials consumed	33	62,763.58	75,470.34
Purchases of stock-in-trade	34	85,921.52	92,606.11
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	4,296.38	(4,335.24)
Employee benefits expense	36	43,049.50	40,234.06
Finance costs	37	9,509.71	7,710.44
Depreciation and amortisation expense	38	12,304.10	10,097.62
Other expenses	39	60,200.29	58,707.89
Total expenses		2,78,045.08	2,80,491.22
III Profit before tax		5,674.28	10,298.51
IV Tax expense			
(i) Current tax (including MAT)	40	3,583.48	3,412.90
(ii) MAT Credit (Entitlement)/ adjustment	40	367.58	(367.58)
(iii) Earlier year income tax	40	282.72	7.76
(iv) Deferred tax	40	(2,235.17)	599.43
Total tax expense		1,998.61	3,652.51
V Profit after tax		3,675.67	6,646.00
VI Profit/(loss) from Joint venture		(911.95)	(890.79)
VII Profit for the year		2,763.72	5,755.21
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plan		(9.43)	(135.33)
(b) Income-tax relating to these items		0.29	34.90
(ii) Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		(0.04)	(1.06)
(iii) Share in other comprehensive income of associates (net of tax)		0.94	3.09
Other comprehensive income, net of tax		(8.24)	(98.40)
IX Total comprehensive income for the year		2,755.48	5,656.81
X Profit for the period		2,763.72	5,755.21
a) Attributable to owner of the parent		2,578.06	5,709.01
b) Attributable to non-controlling interests		185.66	46.20
XI Other comprehensive income		(8.24)	(98.40)
a) Attributable to owner of the parent		(7.82)	(96.02)
b) Attributable to non-controlling interests		(0.42)	(2.38)
XII Total comprehensive income for the year		2,755.48	5,656.81
a) Attributable to owner of the parent		2,570.24	5,612.99
b) Attributable to non-controlling interests		185.24	43.82
XIII Earnings per equity share (of ₹ 2/- each):			
Basic and diluted	41	3.56	7.96

The accompanying notes form an integral part of the Consolidated financial statements.
As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & CO LLP**
Chartered Accountants
Firm Registration No.:301051E/E300284

G.L. Sultania
Director
DIN: 00060931

Sandip Somany
Chairman
DIN: 00053597

Shyamal Kumar
Partner
M. No. 509325
Place: New Delhi
Date: 28 May 2024

Payal M Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Executive Officer and Chief Financial Officer

Place: Gurugram
Date: 28 May 2024

Consolidated statement of Cash Flows

for the year ended 31 March 2024

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from operating activities		
Profit before tax *	4,762.33	9,407.72
Adjustments for:		
Finance costs	9,509.71	7,710.44
Interest income	(53.02)	(55.94)
Gain on disposal of property, plant and equipment	(22.67)	(25.19)
Loss on disposal of property, plant and equipment	2.26	7.59
Net loss/(gain) arising on current investments	-	(1.30)
Sundry balances and liabilities no longer required, written back	(3,263.39)	(4,554.06)
Provision for expected credit loss	2,049.32	1,266.21
Provision for doubtful advances / debts	214.52	83.45
Bad debts written off	0.92	-
Depreciation and amortisation expenses	12,304.10	10,097.62
Lease concession / liability written back	(154.55)	(45.58)
Share of (profit) / loss of joint venture	911.95	890.79
Net foreign exchange loss/(gain)	12.80	(105.30)
Assets Written off	52.58	-
	26,326.86	24,676.45
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(9,676.34)	(8,049.03)
(Increase)/decrease in inventories	9,440.57	(845.71)
(Increase)/decrease in other assets	(1,670.24)	2,289.22
Increase/(decrease) in trade and other liabilities	3,781.35	7,669.26
Increase/(decrease) in provisions	(52.38)	(54.97)
	1,822.96	1,008.77
Cash generated from operations	28,149.82	25,685.22
Income taxes paid	(4,110.86)	(3,995.20)
Income taxes refund	37.70	388.67
Net cash generated by operating activities	24,076.66	22,078.69
Cash flows from investing activities:		
Payments to acquire financial assets	(0.20)	-
Proceeds from sale of financial assets	-	2,710.36
Investment in joint venture	(2,499.96)	(899.99)
Interest received	0.87	27.41
Payment against slump sale	(1,215.52)	(52,867.17)
Payments for property, plant and equipment	(18,341.36)	(19,560.13)
Proceeds from disposal of property, plant and equipment	182.74	115.96
Movement in other bank balances	(3.59)	(0.39)
Net cash used in investing activities	(21,877.02)	(70,473.95)

* Including share in profit / (loss) from joint venture

Consolidated statement of Cash Flows (Contd.)

for the year ended 31 March 2024

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flows from financing activities:		
Proceeds from borrowings	11,956.61	45,690.00
Repayment of borrowings	(8,558.12)	(5,605.23)
Proceeds from issue of shares forming part of Non controlling interests	-	9.00
Movement in short term borrowings (net)	9,103.28	16,760.91
Principal payment of lease liability	(3,116.17)	(2,940.85)
Interest on lease liability	(1,631.94)	(1,826.86)
Dividends paid	(384.89)	0.39
Interest paid	(7,566.21)	(5,418.91)
Net cash (used)/ generated in financing activities	(197.44)	46,668.45
Net increase / (decrease) in cash and cash equivalents:	2,002.20	(1,726.81)
Cash and cash equivalents at the beginning of the year	919.90	2,647.77
Foreign currency translation gain/(loss) on consolidation	0.00	(1.06)
Cash and cash equivalents at the end of the year	2,922.10	919.90

The movement in liabilities from financing activities:

Particulars	As at 31 March, 2023	Cashflows	Non-cash flow changes - Other		As at 31 March, 2024
			Foreign exchange	Other	
Long term borrowings	41,363.36	3,398.49	-	-	44,761.85
Short term borrowings	29,804.44	9,103.28	-	-	38,907.72
Total liabilities from financing activities	71,167.80	12,501.77	-	-	83,669.57

Particulars	As at 31 March, 2022	Cashflows	Non-cash flow changes - Other		As at 31 March, 2023
			Foreign exchange	Other	
Long term borrowings	1,278.59	40,084.77	-	-	41,363.36
Short term borrowings	13,043.53	16,760.91	-	-	29,804.44
Total liabilities from financing activities	14,322.12	56,845.68	-	-	71,167.80

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & CO LLP**
Chartered Accountants
Firm Registration No.:301051E/E300284

G.L. Sultania
Director
DIN: 00060931

Sandip Somany
Chairman
DIN: 00053597

Shyamal Kumar
Partner
M. No. 509325
Place: New Delhi
Date: 28 May 2024

Payal M Puri
Company Secretary
ACS No.: 16068

Naveen Malik
Chief Executive Officer and Chief Financial Officer

Place: Gurugram
Date: 28 May 2024

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

A. EQUITY SHARE CAPITAL

Particulars	(₹ in lakh)	
	Number of shares	Amount
Issued and paid up capital		
Balance as at 1 April 2022	7,22,96,395	1,445.93
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2023	7,22,96,395	1,445.93
Changes in Equity Share Capital during the year	-	-
Balance as at 31 March 2024	7,22,96,395	1,445.93

B. OTHER EQUITY

Particulars	Reserves and surplus				Other comprehensive income		Total Attributable to owners of the Parent	Attributable to Non-Controlling Interests	Total
	Capital Reserve	Securities Premium Account	General Reserve	Retained Earnings	Actuarial gain/(loss)	Foreign currency translation reserve			
Balance as at 1 April 2022	49.88	7,238.97	2,449.08	41,130.78	274.48	47.37	51,190.56	-	51,190.56
Adjustments for change in ownership interests	-	(53.08)	(23.88)	(592.98)	(4.40)	(0.84)	(675.18)	675.18	-
Profit for the year	-	-	-	5,709.01	-	-	5,709.01	46.20	5,755.21
Other comprehensive income for the year (net of tax)	-	-	-	-	(94.96)	(1.06)	(96.02)	(2.38)	(98.40)
Issue of equity shares during the year	-	-	-	-	-	-	-	9.00	9.00
Payment of dividend	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	49.88	7,185.89	2,425.20	46,246.81	175.12	45.47	56,128.37	728.00	56,856.37
Profit for the period	-	-	-	2,578.06	-	-	2,578.06	185.66	2,763.72
Other comprehensive income for the period (net of tax)	-	-	-	-	(7.78)	(0.04)	(7.82)	(0.42)	(8.24)
Payment of dividend	-	-	-	(361.48)	-	-	(361.48)	(27.00)	(388.48)
Balance as at 31 March 2024	49.88	7,185.89	2,425.20	48,463.39	167.34	45.43	58,337.13	886.24	59,223.37

The accompanying notes form an integral part of the Consolidated financial statements.
As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & CO LLP**

Chartered Accountants

Firm Registration No.:301051E/E300284

Shyamal Kumar

Partner

M. No. 509325

Place: New Delhi

Date: 28 May 2024

G.L. Sultania

Director

DIN: 00060931

Payal M Puri

Company Secretary

ACS No.: 16068

Sandip Somany

Chairman

DIN: 00053597

Naveen Malik

Chief Executive Officer and Chief Financial Officer

Place: Gurugram

Date: 28 May 2024

Material accounting policies and other explanatory information to the Consolidated financial statements

for the year ended 31 March 2024

1.A) Corporate information

Hindware Home Innovation Limited (the 'Parent Company') is a public limited company incorporated in India under the Companies Act, 2013. The registered office of the Parent Company is situated in Kolkata and the corporate office is in Gurugram. The Group is into the business of manufacturing, selling and trading of building products, consumer appliances and retail business. The equity shares of the parent

Company is listed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The consolidated financial statements include the consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement and consolidated statement of changes in equity of the Parent Company, its under mentioned subsidiaries (hereinafter referred as the 'Group') and joint venture-

Subsidiary Companies	Date of shareholding/ membership	Country of incorporation	% of shareholding
Evok Homes Private Limited (Formerly known as Hindware Home Retail Private Limited)	1 April 2018	India	100%
Hindware Limited	1 April 2018	India	98.2%
Halis International Limited	1 April 2018	Mauritius	98.2%
Queo Bathroom Innovations Limited UK (subsidiary of Halis International Limited)	1 April 2018	United Kingdom (UK)	98.2%
Truflo Pipes Limited	17 June 2022	India	98.2%
Joint Venture Company	Date of shareholding/ membership	Country of incorporation	% of shareholding
Hintastica Private Limited*	14 November 2019	India	50%

* w.e.f. 20th May 2021, the company has become Joint Venture of the Group

B) Statement of compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Accordingly, the Group's financial statements for the year ended 31 March 2024 are prepared complying in material aspects with applicable Ind AS.

The consolidated financial statement of the Group as at and for the year ended 31 March 2024 were approved and authorised by the Board of Directors on 28 May, 2024.

C) Application of new and revised Indian Accounting Standard ("Ind AS")

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation of Consolidated Financial Statements

These financial statements are the Consolidated Financial Statements of the Group prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below.

The Consolidated Financial Statements (CFS) comprises the Financial Statements of Hindware Home Innovation Limited ("the Company"), its Subsidiaries (herein after referred together as "the Group") and Joint Venture. The CFS of the Group have been prepared in accordance with the Indian

Material accounting policies and other explanatory information to the Consolidated financial statements

for the year ended 31 March 2024

Accounting Standards on "Consolidated Financial Statements" (Ind AS 110), "Joint Arrangements" (Ind AS 111), "Disclosure of Interest in Other Entities" (Ind AS 112), "Investment in Associates and Joint Ventures" (Ind AS 28) notified under Section 133 of the Companies Act 2013.

2.2 Principles of Consolidation

(i) Subsidiaries

Control is gained when the Parent Company:

- Has power over the investee
- Is exposed or has rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

(ii) Joint Venture / Equity Accounted Investees

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control exists are similar to those necessary to determine control over the subsidiaries.

(iii) Loss of Control

When the Group loses control over a subsidiary, it de-recognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the Statement of Profit and Loss.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

2.3 Consolidation procedure:

Subsidiaries

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Material accounting policies and other explanatory information to the Consolidated financial statements

for the year ended 31 March 2024

- b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.
- d) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Holding Company

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Joint Venture

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment.

Unrealised gains resulting from the transaction between the Group and joint venture are eliminated to the extent of the interest in the joint venture, and deferred tax is made on the same.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Statement of Profit and Loss.

3. MATERIAL ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

The material accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company. Following are the additional policies specifically considered for preparation of consolidated financial statements:

3.1 Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

Material accounting policies and other explanatory information to the Consolidated financial statements

for the year ended 31 March 2024

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves.

3.2 Foreign currency transactions and translations

Initial recognition

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

3.3 Taxation

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Parent Company's/its subsidiary's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although Ind AS 12, Income Taxes, specifies limited exemptions.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has three operating/reportable segments: consumer appliances business, retail business and building products segments. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, unallocated assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Notes forming part of Consolidated Financial Statements

NOTE 4a - PROPERTY, PLANT AND EQUIPMENT

Description of assets	(₹ in lakh)										
	Land- Freehold	Right to use - Land	Buildings	Leasehold improvements	Right-to-Use - Building	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Gross block											
Balance as at 1 April 2022	4,328.62	2,355.00	9,796.29	961.31	25,352.57	31,175.37	1,023.77	8,223.04	1,647.75	1,699.43	86,563.15
Additions	4,581.40	221.84	916.75	979.13	5,741.59	9,868.71	223.44	4,409.28	550.11	779.58	28,271.83
Disposals/adjustment	-	-	-	-	(1,771.43)	(1.19)	(2.34)	-	(125.18)	(132.45)	(2,032.59)
Balance as at 31 March 2023	8,910.02	2,576.84	10,713.04	1,940.44	29,322.73	41,042.89	1,244.87	12,632.32	2,072.68	2,346.56	1,12,802.39
Additions	-	-	575.66	16.73	1,071.09	7,830.06	64.27	3,949.88	429.01	417.70	14,354.40
Disposals/adjustment	-	-	-	-	(2,857.89)	(18.66)	(782)	-	(155.87)	(226.05)	(3,266.29)
Balance as at 31 March 2024	8,910.02	2,576.84	11,288.70	1,957.17	27,535.93	48,854.29	1,301.32	16,582.20	2,345.82	2,538.21	1,23,890.50
II. Accumulated depreciation and amortisation											
Balance as at 1 April 2022	-	-	-	643.90	2,888.24	2,684.00	503.04	4,429.72	1,076.60	498.96	12,724.46
Depreciation and amortisation charge for the year	-	29.28	267.85	85.82	4,002.65	2,862.76	209.79	1,672.19	392.38	470.26	9,992.98
Disposals/adjustment	-	-	-	-	(536.34)	(1.03)	(1.49)	-	(105.68)	(54.60)	(699.14)
Balance as at 31 March 2023	-	29.28	267.85	729.72	6,354.55	5,545.73	711.34	6,101.91	1,363.30	914.62	22,018.30
Depreciation and amortisation charge for the year	-	29.28	316.99	168.83	3,896.76	3,779.16	194.21	2,892.29	392.61	495.94	12,166.07
Disposals/adjustment	-	-	-	-	(1,425.57)	(3.76)	(7.15)	-	(121.22)	(113.94)	(1,671.64)
Impairment	-	-	-	10.63	-	-	3.88	7.23	5.84	6.84	34.42
Balance as at 31 March 2024	-	58.56	584.84	909.18	8,825.74	9,321.13	902.28	9,001.43	1,640.53	1,303.46	32,547.15
Net block (I-II)											
Balance as at 31 March 2024	8,910.02	2,518.28	10,703.86	1,047.99	18,710.19	39,533.16	399.04	7,580.77	705.29	1,234.75	91,343.35
Balance as at 31 March 2023	8,910.02	2,547.56	10,445.19	1,210.72	22,968.18	35,497.16	533.53	6,530.41	709.38	1,431.94	90,784.09

Refer note 20 & 25 for details of property, plant and equipment hypothecated as security by the Company.

Notes forming part of Consolidated Financial Statements

NOTE 4b - CAPITAL WORK-IN-PROGRESS

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Capital work in progress *	5,388.57	3,580.23
	5,388.57	3,580.23

*Following expenditure incurred during construction period pending allocation/capitalisation:-

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Balance brought forward from previous year	13.98	-
Stores and spares consumed	0.15	-
Power and fuel	0.67	0.20
Travelling and Conveyance	1.21	-
Employee benefits expense	31.78	10.29
Finance costs	65.30	-
Rates and taxes	0.50	1.25
Repair and maintenance	5.05	0.50
Miscellaneous expenses	5.67	1.74
Total	124.31	13.98

i) Details and Ageing of CWIP is as follows:

As at 31 March 2024

Particulars	Amount in CWIP for a period of				Total
	less than 1 year	1 to 2 years	2 to 3 years	more than 3 years	
	Projects in progress	5,121.93	266.64	-	-
Total					5,388.57

As at 31 March 2023

Particulars	Amount in CWIP for a period of				Total
	less than 1 year	1 to 2 years	2 to 3 years	more than 3 years	
	Projects in progress	3,214.25	329.64	36.34	-
Total					3,580.23

(ii) The expected completion of projects whose completion is over due is as follows:

Particulars	As at 31 March 2024				Total
	less than 1 year	1 to 2 years	2 to 3 years	more than 3 years	
	Shuttle Kiln *	917.43	-	-	-
New Worker Colony Blocks *	205.65	-	-	-	205.65
Other Miscellaneous projects *	114.34	-	-	-	114.34
Total	1,237.42	-	-	-	1,237.42

* Projects are in final stage of completion

Notes forming part of Consolidated Financial Statements

NOTE 4b - CAPITAL WORK-IN-PROGRESS (Contd.)

Particulars	As at 31 March 2023				Total
	less than 1 year	1 to 2 years	2 to 3 years	more than 3 years	
Shuttle Kiln	930.84	-	-	-	930.84
Enervit Firing System	290.53	-	-	-	290.53
Pressure Casting Machine	232.62	-	-	-	232.62
Robotic Glazing System	359.26	-	-	-	359.26
New Worker Colony Blocks	224.83	-	-	-	224.83
Water purifier and desert cooler	20.36	-	-	-	20.36
Kitchen chimney and HOB molds, tools	240.09	-	-	-	240.09
Fans Design	152.84	-	-	-	152.84
Other Miscellaneous projects	114.11	-	-	-	114.11
Total	2,565.48	-	-	-	2,565.48

There are no projects which are over-run as at 31 March 2024 as well as at 31 March 2023

NOTE 4c - GOODWILL

Particulars	As at	
	31 March 2024	31 March 2023
Goodwill	191.00	191.00
	191.00	191.00

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Particulars	Amount
Balance as at 1 April 2022	191.00
Impairment for the period	-
Balance as at 31 March 2023	191.00
Impairment for the period	-
Balance as at 31 March 2024	191.00

The Group / Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the cash generating units ("CGU") is determined from value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. These assumptions have been determined in light of the economic environment which has resulted in more conservative estimates about the future. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group has conducted a sensitivity analysis on the impairment test of CGU carrying value. Change in the discount rate and growth rate by +/- 1% points would not impact in carrying value of goodwill (with other factors remains constant).

Notes forming part of Consolidated Financial Statements

NOTE 4C - GOODWILL (Contd.)

Value in use has been determined by discounting the future cash flows generated from the continuing use of the CGU. The calculation of the value in use is based on the following key assumptions:

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	15.75%	14.86%
Terminal value of growth rate	4%	4%

The estimated recoverable amount of goodwill is not lower than the carrying amount at year end, consequently the company i.e. Hindware Limited has not provided for any impairment loss.

NOTE 5 - OTHER INTANGIBLE ASSETS

Description of assets	(₹ in lakh)		
	Trade mark	Computer software	Total
I. Gross Block			
Balance as at 1 April 2022	36.15	1,023.01	1,059.16
Additions	-	53.37	53.37
Disposals/adjustment	-	-	-
Balance as at 31 March 2023	36.15	1,076.38	1,112.53
Additions	-	101.32	101.32
Disposals/adjustment	-	-	-
Balance as at 31 March 2024	36.15	1,177.70	1,213.85
II. Accumulated amortisation			
Balance as at 1 April 2022	3.91	782.73	786.64
Amortisation charge for the period	3.77	100.87	104.64
Disposals/adjustment	-	-	-
Balance as at 31 March 2023	7.68	883.60	891.28
Amortisation charge for the period	4.06	76.14	80.20
Disposals/adjustment	-	-	-
Impairment	-	23.41	23.41
Balance as at 31 March 2024	11.74	983.15	994.89
Net block (I-II)			
Balance as at 31 March 2024	24.41	194.55	218.96
Balance as at 31 March 2023	28.47	192.78	221.25

NOTE 6 - OTHER INTANGIBLES UNDER DEVELOPMENT

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Other intangible assets under development	142.60	43.21
	142.60	43.21

Details and Ageing of other intangibles under development

As at 31 March 2024

Particulars	Amount for a period of				Total
	less than 1 year	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	142.60	-	-	-	142.60

NOTE 6 - OTHER INTANGIBLES UNDER DEVELOPMENT (Contd.)

As at 31 March 2023

Particulars	Amount for a period of				(₹ in lakh)
					Total
	less than 1 year	1 to 2 years	2 to 3 years	more than 3 years	
Project in progress	21.71	21.50	-	-	43.21

There are no projects which are overdue/over-run as at 31 March 2024 as well as at 31 March 2023

NOTE 7 - NON-CURRENT FINANCIAL ASSETS - NON CURRENT INVESTMENTS

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in lakh	Number	₹ in lakh
A. Deemed equity contribution				
Deemed equity contribution*		28.24		60.48
Total [A]		28.24		60.48
B. At Amortised Cost				
Unquoted investments (fully paid-up)				
Neycer India Limited (face value ₹ 10 each)	125	0.01	125	0.01
Water Management & Plumbing Skill Council (face value ₹ 10 each)	10,000	1.00	10,000	1.00
National Savings Certificates*		0.20		-
Unquoted investments		1.21		1.01
Total [B]		1.21		1.01
C. Using Equity Method:				
Joint Venture				
Unquoted				
Equity share fully paid up				
Hintastica Private Limited (face value ₹ 10 each)	4,22,861	10,322.01	3,20,146	8,733.06
Total [C]		10,322.01		8,733.06
Total investments (A+B+C)		10,351.46		8,794.55
Other disclosures				
Aggregate amount of unquoted investments**		10,351.46		8,794.55

* Fair value of letter of guarantee given for the Hintastica Private Limited (Joint Venture)

* Deposited with government authorities

** Including deemed equity contribution

NOTE 8 - NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
(unsecured and considered good unless otherwise specified, as considered by the management)		
Security deposits	1,104.46	869.66
Unsecured, considered doubtful	2.82	2.82
less: Provision against advance	(2.82)	(2.82)
Other bank balances		
- Deposit account with other banks for more than 1 year [^]	23.34	23.34
	1,127.80	893.00

[^]Deposited with government departments / courts as security ₹ 23.34 lakh (previous period ₹ 23.34 lakh)

Notes forming part of Consolidated Financial Statements

NOTE 9 - INCOME-TAX ASSETS (NET)

Particulars	₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Advance income-tax (net)	649.92	273.63
	649.92	273.63

NOTE 10 - DEFERRED TAX (NET)

Particulars	₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Deferred tax asset arising on account of		
Business losses	969.97	111.74
Difference between book balance and tax balance of property, plant and equipment and Right of use asset (net of lease liability)	655.80	728.23
Expected credit loss / impairment of financial assets	2,459.94	1,602.54
Provision for employee benefits	284.07	347.38
MAT Credit entitlement	175.48	712.39
Others	780.44	124.88
Deferred tax assets (net)	5,325.70	3,627.15

Deferred tax assets (net) in relation to:

Particulars	₹ in lakh)				
	As at 1 April 2023	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at 31 March 2024
Deferred tax asset arising on account of					
Business losses	111.73	858.24	-	-	969.97
Difference between book balance and tax balance of property, plant and equipment and Right of use asset (net of lease liability)	728.23	(72.43)	-	-	655.80
Expected credit loss / impairment of financial assets	1,602.54	857.40	-	-	2,459.94
Provision for employee benefits	347.38	(63.60)	0.29	-	284.07
Others	124.88	655.56	-	-	780.44
Net deferred tax assets	2,914.76	2,235.17	0.29	-	5,150.22

Notes forming part of Consolidated Financial Statements

NOTE 10 - DEFERRED TAX (NET) (Contd.)

Deferred tax assets (net) in relation to:

Particulars	(₹ in lakh)				
	As at 1 April 2022	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at 31 March 2023
Deferred tax asset arising on account of					
Business losses	1,140.46	(1,028.73)	-	-	111.73
Difference between book balance and tax balance of property, plant and equipment and Right of use asset (net of lease liability)	847.15	(118.92)	-	-	728.23
Expected credit loss / impairment of financial assets	1,224.05	378.49	-	-	1,602.54
Provision for employee benefits	252.39	60.09	34.90	-	347.38
Others	15.24	109.64	-	-	124.88
Net deferred tax assets	3,479.29	(599.43)	34.90	-	2,914.76

MAT Credit Entitlement Movement

Particulars	(₹ in lakh)	
		Amount
MAT credit entitlement as on 1 April 2022		344.81
MAT credit recognised		367.58
MAT credit utilization		-
MAT credit entitlement as on 31 March 2023		712.39
MAT credit recognised		-
MAT credit adjustment/reversal		(367.58)
MAT credit utilization		(169.33)
MAT credit entitlement as on 31 March 2024		175.48

NOTE 11 - OTHER NON-CURRENT ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
(unsecured and considered good, unless stated otherwise, as considered by the management)		
Capital advances	5,683.00	1,720.38
Considered doubtful	15.15	15.15
Less: Provision for doubtful advances	(15.15)	(15.15)
Prepaid expenses	23.38	26.90
Balances with government authorities*	344.55	363.82
Others	0.50	1.50
	6,051.43	2,112.60

* Deposited against demand under dispute

Notes forming part of Consolidated Financial Statements

NOTE 12 - INVENTORIES

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
(valued at cost or net realisable value which ever is lower)		
Raw materials @	11,237.92	15,192.85
Work-in-progress	3,264.70	3,377.17
Finished goods	6,094.07	9,830.04
Stock-in-trade @	36,079.98	36,527.92
Stores and spares	1,029.90	2,189.72
Packing material	1,087.28	1,141.72
Oils, fuels, lubricants and others	142.28	117.28
	58,936.13	68,376.70
@Included above, goods-in-transit:		
Raw materials	939.98	-
Stock-in-trade	8.64	286.20
	948.62	286.20

Refer note 25 for information on inventory pledged as security by the Group.

NOTE 13 - TRADE RECEIVABLES

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
(i) Trade Receivables considered good - Secured	2,113.30	1,885.40
(ii) Trade Receivables considered good - Unsecured*	43,221.16	35,875.61
(iii) Trade Receivables - credit impaired	7,022.21	5,039.68
	52,356.67	42,800.69
Provision for Expected Credit loss	(7,022.21)	(5,039.68)
	45,334.46	37,761.01

*including of Hintastica Private Limited NIL (previous year ₹ 25.81 lakh) and AGI Greenpac Limited ₹ 0.50 lakh (previous year NIL).

Ageing As at 31 March 2024

Particulars	Outstanding for following period from due date of payment						Total
	(₹ in lakh)						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19,214.45	20,419.56	1,897.98	2,237.87	639.75	-	44,409.61
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	157.38	367.78	289.60	245.84	2,543.29	3,603.89
(iv) Disputed Trade Receivables- considered good	-	0.12	9.78	385.93	529.02	-	924.85
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	42.88	222.45	3,152.99	3,418.32
Total	19,214.45	20,577.06	2,275.54	2,956.28	1,637.06	5,696.28	52,356.67
Total Provision (iii+vi)	-	157.38	367.78	332.48	468.29	5,696.28	7,022.21

NOTE 13 - TRADE RECEIVABLES (Contd.)

Ageing As at 31 March 2023

(₹ in lakh)

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	16,595.61	15,523.89	2,074.54	1,436.58	451.17	-	36,081.79
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	139.16	174.83	1,833.88	2,147.87
(iv) Disputed Trade Receivables– considered good	-	31.36	209.72	633.96	804.18	-	1,679.22
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	8.57	116.55	273.06	2,493.63	2,891.81
Total	16,595.61	15,555.25	2,292.83	2,326.25	1,703.24	4,327.51	42,800.69
Total Provision (iii+vi)	-	-	8.57	255.71	447.89	4,327.51	5,039.68

Movement in provisions for expected credit loss

(₹ in lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Opening balance	5,039.68	3,773.47
Expected credit losses provided for during the period (Refer note 39)	2,049.32	1,266.21
Amounts written back during the period (net)	(66.79)	-
	7,022.21	5,039.68

Trade receivables are hypothecated against the borrowings obtained by the Group as referred in note 25

NOTE 14 - CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks	2,861.37	604.03
Cheques, drafts in hand	5.25	276.38
Cash in hand	6.60	12.62
Remittance in transit	48.88	26.87
	2,922.10	919.90

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

NOTE 15 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Earmarked balances with banks		
Unpaid dividends accounts *	10.59	7.00
	10.59	7.00

* Not due for deposit in the investor education and protection fund

Notes forming part of Consolidated Financial Statements

NOTE 16 - CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
(unsecured and considered good by the management)		
Other financial assets		
Interest accrued on deposits, loans and advances	18.31	3.18
Security Deposit [^]	40.56	53.59
Other Receivable [*]	1,254.72	1,379.11
	1,313.59	1,435.88

* including of AGI Greenpac Limited of ₹ 602.68 lakh (previous year ₹ 720.56 lakh) and from Hintastica Private Limited ₹ 375.75 lakhs (previous year ₹ 627.61 lakhs).

[^] Including of AGI Greenpac Limited of ₹ 40.56 lakh (previous year ₹ 40.56 lakh)

NOTE 17 - OTHER CURRENT ASSETS

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
(unsecured and considered good by the management)		
Prepaid expenses	841.63	441.50
Balances with government authorities	6,435.86	7,023.96
Others		
- Advance to suppliers	3,451.95	1,798.88
Considered doubtful	277.16	124.36
less: Provision against doubtful advances	(277.16)	(124.36)
- Employee advances	226.23	277.99
- Other current assets [#]	1,767.94	1,701.77
Considered doubtful	851.83	790.11
Less : Provision for doubtful assets	(851.83)	(790.11)
	12,723.61	11,244.10

[#] including of Hintastica Private Limited ₹ 166.34 lakh (previous year ₹ 133.39 lakh)

NOTE 18 - EQUITY SHARE CAPITAL

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Authorised:				
Equity shares of ₹ 2 each	7,50,00,000	1,500.00	7,50,00,000	1,500.00
Issued:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Subscribed and fully paid:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
	7,22,96,395	1,445.93	7,22,96,395	1,445.93

NOTE 18 - EQUITY SHARE CAPITAL (Contd.)

(a) Reconciliation of share outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in lakh	Number	₹ in lakh
Equity shares outstanding at the beginning of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93

(b) Statement of changes in promoters stake

Shares held by promoters[^] at the end of the period

S. No	Promoter name	As at 31 March 2024		As at 31 March 2023		%Change during the year
		No. of shares	% of holding	No. of shares	% of holding	
1	Sandip Somany	60,39,731	8.35%	60,39,731	8.35%	-
2	Sumita Somany	1,61,000	0.22%	1,61,000	0.22%	-
3	Divya Somany	1,46,912	0.20%	1,46,912	0.20%	-
4	Sandip Somany Huf	95,832	0.13%	95,832	0.13%	-
5	Shashvat Somany	76,244	0.11%	76,244	0.11%	-
6	Somany Impresa Limited	3,05,79,968	42.30%	3,05,79,968	42.30%	-
7	Matterhorn Trust	100	0.00%	100	0.00%	-
Total		3,70,99,787	51.32%	3,70,99,787	51.32%	

[^] Promoter here means promoter as defined in the Companies Act, 2013.

(c) Terms and rights attached to equity shares

The Company has issued only one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after settling of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) List of shareholders holding more than 5% of the equity share capital of the Company as at:^{*}

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	% of holding	Number	% of holding
Somany Impresa Limited	3,05,79,968	42.30%	3,05,79,968	42.30%
Sandip Somany	60,39,731	8.35%	60,39,731	8.35%

* Information is furnished as per shareholder register as at the period end.

- (e) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares and bought back during the last 5 years.
- (f) Pursuant to the Scheme of arrangement the Company had issued 7,22,96,395 equity shares to the shareholders of AGI Greenpac Limited. On 23 August 2019 (Allotment date) Hindware Home Innovation Limited had issued one equity share for every equity share held of AGI Greenpac Limited on the date of 20 August, 2019 (Record date) for consideration other than cash.

Notes forming part of Consolidated Financial Statements

NOTE 19 - OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and surplus				Other comprehensive income		Total Attributable to owners of the Parent	Attributable to Non - Controlling Interests*	Total
	Capital reserve	Securities premium reserve	General reserve	Retained earnings	Actuarial gain / (loss)	Foreign currency translation reserve			
Balance as at 1 April 2022	49.88	7,238.97	2,449.08	41,130.78	274.48	47.37	51,190.56	-	51,190.56
Adjustments for change in ownership interests	-	(53.08)	(23.88)	(592.98)	(4.40)	(0.84)	(675.18)	675.18	-
Profit for the year	-	-	-	5,709.01	-	-	5,709.01	46.20	5,755.21
Other comprehensive income for the year (net of tax)	-	-	-	-	(94.96)	(1.06)	(96.02)	(2.38)	(98.40)
Issue of equity shares during the year	-	-	-	-	-	-	-	9.00	9.00
Payment of dividend	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	49.88	7,185.89	2,425.20	46,246.81	175.12	45.47	56,128.37	728.00	56,856.37
Profit for the period	-	-	-	2,578.06	-	-	2,578.06	185.66	2,763.72
Other comprehensive income for the period (net of tax)	-	-	-	-	(7.78)	(0.04)	(7.82)	(0.42)	(8.24)
Payment of dividend	-	-	-	(361.48)	-	-	(361.48)	(27.00)	(388.48)
Balance as at 31 March 2024	49.88	7,185.89	2,425.20	48,463.39	167.34	45.43	58,337.13	886.24	59,223.37

Nature and purpose of other reserves:

1. Capital reserve was created on amalgamation of certain entities/undertaking into the Company.
2. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
3. General reserves was created by transferring certain amount out of profits at the time of distribution of dividend in the past.

* The Board of Directors of one of the subsidiary company "Hindware Limited" in their meeting held on 3rd February 2023 and pursuant to the approval of Shareholders obtained in their Extra Ordinary General meeting held on 30th November 2022 had approved, issued and allotted 9,00,000 equity shares (partly paid) of ₹ 2/- each at ₹ 452 per share (including ₹ 450 per share as premium) on receipt of ₹ 1 per share as application money from its eligible employees on preferential basis (none of them being the promoters or part of the promoters group), thus with effect from 3rd February 2023 company's holding in subsidiary stands reduced to 98.20%. Consequently the subsidiary ceases to be wholly owned subsidiary of the company.

Notes forming part of Consolidated Financial Statements

NOTE 20 - NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Secured:		
Term loans from banks:		
Rupee loans	44,761.85	41,363.36
	44,761.85	41,363.36
Less: Current maturities of long term borrowing (refer note 25)	10,842.13	8,558.13
	33,919.72	32,805.23

Note:

- 1 Rupee Loan of ₹ 825.00 lakh (previous year ₹ 1,050.00 lakh) is secured by First Pari Passu charge on Movable Fixed Assets (PPE) of the company, repayable in 6 half yearly instalments from June 2024 to December 2026 @ 1 Year MCLR + 8 bps
- 2 Loans are secured by way of hypothecation of first pari-passu charge on movable fixed assets both present and future of the respective company. Further, this is secured by first pari-passu charge by way of mortgage on immovable fixed assets located at Bibinagar and Kaharani plants of the Company.^
 - Term Loans aggregating to ₹ 3,250.00 lakh (previous year ₹ 4,250.00 lakh) are repayable in 13 equal quarterly instalments from April 2024 to April 2027.
 - Term Loans aggregating to ₹ 5,000.00 lakh (previous year ₹ 1,645.00 lakh) are repayable in 24 equal quarterly instalments from May 2024 to Feb 2030.
 - Term Loans aggregating to ₹ 6,320.00 lakh (previous year ₹ 8,320.00 lakh) are repayable in 9 instalments from May 2024 to May 2026.
 - Term Loans aggregating to ₹ 20,765.24 lakh (previous year ₹ 26,098.36 lakh) are repayable in 11 instalments from April 2024 to Oct 2026.
 - Term Loans aggregating to ₹ 4,361.61 lakh (previous year ₹ Nil) are repayable in 24 instalments from February 2025 to Nov 2030.
 - Term Loans aggregating to ₹ 1,740.00 lakh (previous year ₹ Nil) are repayable in 24 instalments from June 2026 to Mar 2032.
- 3 Loan will be secured by exclusive charge by way of mortgage on immovable fixed assets proposed for purchase at World Trade Tower, New Delhi. ^
 - Term Loans aggregating to ₹ 2,500.00 lakh (previous year ₹ Nil) are repayable in 24 instalments from June 2025 to Mar 2031.

^ Interest rate ranging from REPO + 230bps to 3 month T- Bill + 235 bps

Notes forming part of Consolidated Financial Statements

NOTE 21 - NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Lease liability (Refer note 48)	18,041.37	21,357.10
	18,041.37	21,357.10

NOTE 22 - NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Trade deposits	5,751.04	4,954.92
	5,751.04	4,954.92

NOTE 23 - NON-CURRENT LIABILITIES - PROVISIONS

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Long-term employee benefits		
Provision for compensated absences	946.01	853.88
Provision for long service award	102.53	99.34
Provision for gratuity	1.19	0.96
Provision for warranty (Refer note 30)	401.08	381.08
	1,450.81	1,335.26

Details of movement in provision for warranty

	(₹ in lakh)
Balance as at 1 April 2022	356.07
Additional provisions recognised (included in Other expenses)	25.01
Balance as at 31 March 2023	381.08
Additional provisions recognised (included in Other expenses)	20.00
Balance as at 31 March 2024	401.08

Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the Company obligations for warranties under the local sale of goods. The estimate has been made based on historical warranty trends and may vary as a result of new materials, altered manufacturing process or other events. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on warranty period of certain products up to 12 years.

NOTE 24 - OTHER NON-CURRENT LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Employee related payables	554.35	477.08
	554.35	477.08

Notes forming part of Consolidated Financial Statements

NOTE 25 - CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	907.36	1,559.95
Working capital demand loan	38,000.36	28,244.49
	38,907.72	29,804.44
Current maturities of long term borrowings	10,842.13	8,558.13
	49,749.85	38,362.57

Details of security and term of repayment of each type of borrowing:

- Working capital and Cash credit facilities availed by the various entities of the group are secured by hypothecation of inventories, finished & semi-finished goods and receivables of respective entities. The Working capital facilities and Cash credit facilities are repayable on demand.
- The interest rate for Short term borrowing ranges from 1 Month T-Bill + 108 bps to 3 month MCLR + 65 bps.

NOTE 26 - CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Lease liability (Refer note 48)	2,909.21	3,228.53
	2,909.21	3,228.53

NOTE 27 - TRADE PAYABLES

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Due to micro and small enterprise	6,174.98	5,950.16
Due to others*	25,021.94	23,771.94
	31,196.92	29,722.10

* Including of AGI Greenpac Limited of ₹ 130.18 lakh (previous year ₹ 255.07 lakh) and Hintastica Private Limited of ₹ 1.03 lakh (previous year NIL)

Ageing As at 31 March 2024

Particulars	Outstanding for following period from due date of payment						Total
	(₹ in lakh)						
	Unbilled	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
i. Micro and small enterprises	102.66	4,871.18	1,075.49	89.13	32.57	3.95	6,174.98
ii. Others	2,860.48	10,846.62	11,169.74	73.86	46.55	24.69	25,021.94
Total							31,196.92

Notes forming part of Consolidated Financial Statements

NOTE 27 - TRADE PAYABLES (Contd.)

Ageing As at 31 March 2023

Particulars	Outstanding for following period from due date of payment						(₹ in lakh)
	Unbilled	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
	i. Micro and small enterprises	32.92	3,960.33	1,869.67	72.09	5.28	9.87
ii. Others	904.94	11,844.84	10,794.02	113.85	17.67	96.62	23,771.94
Total							29,722.10

Disclosure under MSME Act, 2006

Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details as certified by the management are mentioned below:

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Principal amount overdue remaining unpaid to any supplier	1,170.31	1,776.10
Interest due thereon remaining unpaid to any supplier	47.67	63.27
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year	163.58	221.64
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	362.11	372.54
Interest accrued and remaining unpaid	625.19	654.56

NOTE 28 - CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

Particulars	(₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due on borrowings	130.79	72.10
Unpaid dividends [^]	10.59	7.00
Earnest money deposits	10.64	24.64
Security deposits/retention money payable	271.45	535.04
Others		
Towards capital creditors	941.17	40.25
Employee related payables	6,459.47	5,123.75
Towards expenses payable *	3,564.96	9,368.19
Financial obligation towards letter of gurantee (Refer note 7)	28.24	60.48
Commission payable to directors	272.10	146.45
Gratuity payable (net obligation)	704.03	726.94
Other payables**	15,651.06	13,589.71
	28,044.50	29,694.55

[^] Not due for deposit in Investors Education and Protection Fund

* including of AGI Greenpac Limited of ₹ 737.41 lakh (previous year ₹ 839.51 lakh)

** Including of AGI Greenpac Limited NIL (previous year ₹ 1,215.52 lakh)

Notes forming part of Consolidated Financial Statements

NOTE 29 - OTHER CURRENT LIABILITIES

Particulars	₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Advances received from customers	1,085.38	1,245.78
Payable towards statutory dues	8,182.59	8,104.40
Other payables	37.10	68.42
	9,305.07	9,418.60

NOTE 30 - CURRENT LIABILITIES - PROVISIONS

Particulars	₹ in lakh)	
	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Provision for compensated absences	142.38	311.86
Provision for long service award	11.91	10.36
Provision for gratuity	0.03	0.03
Provision for warranty (Refer note 23)	284.81	284.81
	439.13	607.06

Movement for provision for warranty

₹ in lakh)	
Balance as at 1 April 2022	257.91
Additional provisions recognised (included in Other expenses)	26.90
Balance as at 31 March 2023	284.81
Additional provisions recognised (included in Other expenses)	-
Balance as at 31 March 2024	284.81

Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the Company obligations for warranties under the local sale of goods. The estimate has been made based on historical warranty trends and may vary as a result of new materials, services or other events. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on warranty period of certain products up to 2 years.

NOTE 31 - REVENUE FROM OPERATIONS

Particulars	₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
i) Revenue from operations		
Sale of goods	2,73,983.02	2,79,855.53
Revenue from rendering of services	98.40	184.63
Other operating revenue @	5,921.78	7,188.81
	2,80,003.20	2,87,228.97
Segment wise revenue information		
a) Consumer products	42,171.75	50,085.45
b) Retail business	2,371.96	5,638.39
c) Building products	2,35,464.45	2,31,514.33
d) Others	-	-
Total	2,80,008.16	2,87,238.17

Notes forming part of Consolidated Financial Statements

NOTE 31 - REVENUE FROM OPERATIONS (Contd.)

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Less: Inter segment revenue	(4.96)	(9.20)
Total income from operations	2,80,003.20	2,87,228.97
ii) Unsatisfied Performance Obligation		
Aggregated amount of Transaction Price allocated to the contracts that are fully or partially unsatisfied at the end of the reporting period		
i) Sale of Goods	1,085.38	1,245.78
iii) Reconciliation of contract price vis a vis revenue recognised in profit and loss statement is as follows:-		
Contract Price		
a) Sale of goods & services	4,67,550.53	4,66,689.15
b) Revenue from rendering of services	98.40	184.63
c) Other operating revenue	5,921.78	7,188.81
Adjustment:-		
Discount/Rebate	1,93,567.51	1,86,833.62
Revenue recognised in the statement of profit and loss account	2,80,003.20	2,87,228.97
@ Other operating revenues comprise of:		
Sundry balances and liabilities no longer required, written back	3,258.39	4,548.20
Insurance claims received	204.13	233.27
Scrap sales	524.65	530.76
Miscellaneous receipts	1,934.61	1,876.58
	5,921.78	7,188.81

NOTE 32 - OTHER INCOME

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on financial assets	53.02	55.94
Excess balances and liabilities written back	5.00	5.86
Rental income	134.01	197.33
Profit on sale of current investments (net)	-	1.30
Profit on sale of property, plant and equipment	22.67	25.19
Gain on foreign exchange fluctuations	116.98	98.15
Management fee	2,956.50	2,827.92
Miscellaneous income	427.98	349.07
	3,716.16	3,560.76

NOTE 33 - COST OF MATERIALS CONSUMED

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening stock	15,192.85	20,199.63
Add: Purchases	58,808.65	70,463.56
Less: Closing stock	11,237.92	15,192.85
	62,763.58	75,470.34

Notes forming part of Consolidated Financial Statements

NOTE 34 - PURCHASES OF TRADED GOODS

Particulars	₹ in lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Sanitaryware and other products	58,584.66	59,593.85
Consumer appliances home furnishing and others	27,336.86	33,012.26
	85,921.52	92,606.11

NOTE 35 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	₹ in lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year:		
Finished goods	6,094.07	9,830.04
Work-in-progress	3,264.70	3,377.17
Stock-in-trade	36,079.98	36,527.92
Total (A)	45,438.75	49,735.13
Inventories at the beginning of the year:		
Finished goods	9,830.04	7,126.77
Work-in-progress	3,377.17	3,639.30
Stock-in-trade	36,527.92	34,633.82
Total (B)	49,735.13	45,399.89
Changes in inventories (C=B-A)	4,296.38	(4,335.24)

NOTE 36 - EMPLOYEE BENEFITS EXPENSE

Particulars	₹ in lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	39,018.59	36,443.95
Contribution to provident funds and other funds	2,060.99	2,328.23
Staff welfare expenses	1,969.92	1,461.88
	43,049.50	40,234.06

NOTE 37 - FINANCE COST

Particulars	₹ in lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest expense on financial liabilities	7,792.08	5,810.15
Interest on lease liability (Refer note 48)	1,631.94	1,826.86
Other interest cost	85.69	73.43
	9,509.71	7,710.44

NOTE 38 - DEPRECIATION AND AMORTISATION

Particulars	₹ in lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation and impairment of property, plant and equipment (Refer note 4a)	8,274.45	5,961.05
Amortisation and impairment of other intangible assets (Refer note 5)	103.61	104.64
Depreciation on right to use-land and building (Refer note 4a)	3,926.04	4,031.93
	12,304.10	10,097.62

Notes forming part of Consolidated Financial Statements

NOTE 39 - OTHER EXPENSES

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	9,250.42	11,032.74
Consumption of stores and spares	1,738.34	1,902.72
Consumption of packing material	3,356.80	4,152.33
Consumption of oil, fuel and lubricants	106.28	118.35
Repairs and maintenance:		
Buildings	130.61	111.01
Plant and machinery	214.66	250.28
Others	1,271.86	933.92
Rent (including hire charges)	657.94	786.22
Rates and taxes	110.87	138.15
Directors sitting fees	25.35	17.65
Expenditure on ceramic and applied research centre	141.32	166.15
Insurance	1,403.91	791.57
Travelling and conveyance	5,545.27	4,901.18
Commission on sales	-	162.96
Freight and forwarding charges	17.89	201.63
Advertisement and publicity	11,667.37	10,411.88
Transportation and forwarding	12,793.41	12,243.01
Sales promotion expenses*	2,829.16	1,233.34
Other selling expenses	1,592.47	2,105.90
Provision for expected credit loss (Refer note 13)	2,049.32	1,266.21
Provision for doubtful advances/debts	214.52	83.45
Bad debts written off	0.92	-
Corporate social responsibility expenditure	257.64	213.87
Charity and donation	0.25	0.25
Loss on foreign exchange fluctuation	-	33.99
Loss on sale of property, plant and equipment	2.26	7.59
Legal and Professional Services	1,861.24	3,302.69
Management Fees	2.34	13.30
Assets Written off	52.58	-
Miscellaneous expenses	2,905.29	2,125.55
	60,200.29	58,707.89

* Including of warranty expenses

NOTE 40 CURRENT TAX AND DEFERRED TAX

(a) Income tax expense through profit and loss

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax:		
Current income tax charge (including Minimum alternate tax)	3,583.48	3,412.90
MAT Credit (Entitlement)/ adjustment	367.58	(367.58)
Earlier year income tax	282.72	7.76
	4,233.78	3,053.08
Deferred tax:		
In respect of current year origination and reversal of temporary differences	(2,235.17)	599.43
Total tax expense recognised in profit and loss account	1,998.61	3,652.51

Notes forming part of Consolidated Financial Statements

NOTE 40 CURRENT TAX AND DEFERRED TAX (Contd.)

(b) Income tax on other comprehensive income

Particulars	₹ in lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax		
Re-measurement of defined benefit obligations	0.29	34.90
	0.29	34.90

(c) Numerical reconciliation between average effective tax rate and applicable tax rate:

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the holding company at 34.944% (31 March 2023: 34.944%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	₹ in lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	5,674.28	10,298.51
Domestic tax rate for the holding Company	34.944%	34.944%
Latest statutory enacted income tax for the Company	1,982.82	3,598.71
Tax effect of:		
- Non deductible expenses	209.44	209.47
- Differential tax rate of foreign subsidiaries	4.67	4.51
- Differential tax rate of domestic subsidiaries	(1,371.32)	(1,111.61)
- Dividend elimination	1,027.35	1,027.35
- Earlier year income tax	282.72	7.76
- Deferred tax reversal in subsidiary company	132.96	-
Others	(270.03)	(83.68)
Income-tax recognised in statement of profit and loss	1,998.61	3,652.51

(d) There is no change in statutory enacted income-tax rate during the financial year.

NOTE 41 - EARNINGS PER SHARE

Particulars	₹ in lakh	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year attributable to owners of the Company (₹ in lakh)	2,578.06	5,755.21
Weighted average number of equity shares (nos.)	7,22,96,395	7,22,96,395
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	3.56	7.96

The holding company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the holding company remain the same.

Notes forming part of Consolidated Financial Statements

NOTE 42 - RELATED PARTY TRANSACTIONS

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

List of related parties

Relationship	Name of related party
Key management personnel (KMP)	Executive director
	Mr. Rakesh Kaul- Whole-Time Director and CEO (ceased w.e.f 6 April 2023)
	Executive/ Key Managerial Personnel
	Mr. Salil Kappoor (appointed as Chief Executive Officer w.e.f 18 July 2023 and ceased w.e.f 12 March 2024)
	Mr. Naveen Malik (Chief Financial Officer), appointed as Chief Executive Officer w.e.f 28 May 2024
	Ms. Payal M Puri (Company Secretary)
	Non-executive directors
	Mr. Sandip Somany - Chairman (Non-Executive Non-Independent Director)
	Mr. Ashok Jaipuria (Independent Director)
	Mr. Nand Gopal Khaitan (Independent Director)
	Mr. Salil Kumar Bhandari (Independent Director)
	Ms. Anisha Motwani (Independent Director)
	Mr. Girdhari Lal Sultania (Non-Executive Non Independent Director w.e.f 22 March 2023)
Relatives of Key management personnel	Ms. Sumita Somany (Wife of Mr. Sandip Somany)
Joint venture	Hintastica Private Limited
Corporate Social Responsibility	HSIL Corporate Social Responsibility Foundation
Post employment benefit plan	SHIL Employee gratuity fund Brilloca Employee Gratuity Fund
Others	AGI Greenpac Limited

The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis.

Particulars	(₹ in lakh)			
	Joint Venture		Entities where significant influence is exercised by KMP and/or their relatives having transactions/balances with the company	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Transactions during the year*				
1. Sale / (Sales return) of goods to / from				
AGI Greenpac Limited	-	-	3.34	7.26
Hintastica Private Limited	(0.28)	111.33	-	-
2. Sale of property plant & equipment to				
Hintastica Private Limited	0.15	2.67	-	-
3. Purchase of goods from				
AGI Greenpac Limited	-	-	2,717.64	7,067.95

Notes forming part of Consolidated Financial Statements

NOTE 42 - RELATED PARTY TRANSACTIONS (Contd.)

Particulars	(₹ in lakh)			
	Joint Venture		Entities where significant influence is exercised by KMP and/or their relatives having transactions/balances with the company	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Hintastica Private Limited	0.96	-	-	-
4. Reimbursement of expenses paid to				
AGI Greenpac Limited	-	-	376.66	1,025.69
Hintastica Private Limited	60.33	-	-	-
5. Reimbursement of expenses received from				
AGI Greenpac Limited	-	-	58.03	2.54
Hintastica Private Limited	64.62	172.83	-	-
6. Management support services fees received from				
AGI Greenpac Limited	-	-	2,331.71	2,261.43
Hintastica Private Limited	624.79	559.15	-	-
7. Management support services fees paid to				
Hintastica Private Limited	2.34	-	-	-
8. Rent paid to				
AGI Greenpac Limited	-	-	2,046.74	2,083.18
9. Rent received from				
Hintastica Private Limited	127.45	160.07	-	-
10. Royalty received from				
Hintastica Private Limited	31.68	41.79	-	-
11. Contribution made				
SHIL Employee gratuity fund	-	-	101.96	63.69
Brilloca Employee Gratuity Fund	-	-	385.55	313.86
12. Corporate Social Responsibility				
HSIL Corporate Social Responsibility Foundation	-	-	257.64	213.87
13. Security Deposit refunded				
AGI Greenpac Limited	-	-	-	33.62
14. Corporate Guarantee provided to / (Withdrawn)				
Hintastica Private Limited	-	(2,500.00)	-	-
15. Investment made in				
Equity shares in Hintastica Private Limited	2,499.96	899.99	-	-
16. Purchase of BPD business under slump sale				
AGI Greenpac Limited	-	-	-	2,671.98
Balances outstanding at the end of the year				
AGI Greenpac Limited - Payable				
- Slump sale	-	-	-	1,215.52
- Others	-	-	223.85	333.46
Hintastica Private Limited				
Corporate Guarantee outstanding	6,950.00	6,950.00	-	-
Other receivable	541.07	786.81	-	-

*Exclusive of GST, wherever applicable

Notes forming part of Consolidated Financial Statements

NOTE 42 - RELATED PARTY TRANSACTIONS (Contd.)

Key Managerial Personnel

The remuneration and other transaction with member of key managerial personnel and their relatives during the year was as follows:

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term employee benefits*	2,342.98	1,546.20
Post-employment benefits		
- Defined contribution plan [§]	188.99	158.34
Total	2,531.97	1,704.54

* Including bonus, sitting fee, commission on accrual basis and value of perquisites.

§ Including provident fund, leave encashment paid and any other benefit.

Disclosure pursuant to Regulation 34(3) read with Schedule V, part A, Clause 2(2A) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

Promoter/promoter group companies holding more than 10% of equity share capital of the Company:

AGI Greenpac Limited

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Nature of transaction*		
1. Purchase of Sanitaryware, faucet, pipe and other products	2,717.64	7,067.95
2. Sale of goods	3.34	7.26
3. Purchase of BPD business under slump sale	-	2,671.98
4. Godown rent	2,046.74	2,083.18
5. Security deposit received back	-	33.62
6. Management support services provided	2,331.71	2,261.43
7. Reimbursement of expenses received	58.03	2.54
8. Reimbursement of expenses paid to	376.66	1,025.69
Balances outstanding as at the end of the year		
Payable outstanding		
- Slump sale	-	1,215.52
- Others	223.85	333.46

*Exclusive of GST, wherever applicable

Notes forming part of Consolidated Financial Statements

NOTE - 43 CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Demands raised by the service-tax authorities against which appeals have been filed	77.77	77.77
b) Demands made by the sales tax authorities against which appeals have been filed	717.13	1,198.00
c) Demand raised by the goods and service tax authority	2,234.65	189.42
d) Claims against the Group not acknowledged as debts	413.63	350.94

NOTE - 44 CAPITAL AND OTHER COMMITMENTS

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	10,818.23	5,142.57

NOTE - 45 FINANCIAL INSTRUMENTS AND RISK REVIEW

Capital management

The Group manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 20 and 25; cash and cash equivalents as disclosed in note 14 and equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Group attributable to equity holders of the Company. The Group is not subject to externally imposed capital requirements. The Board of Directors of the respective company in the Group reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors of the respective company in the Group.

The following table summarises the capital of the Group

Particulars	(₹ in lakh)	
	31 March 2024	31 March 2023
Equity	60,669.30	57,574.30
Liquid assets (cash and cash equivalent) (a)	2,922.10	919.90
Current borrowings (note 25)	38,907.72	29,804.44
Non- current borrowings (note 20)	33,919.72	32,805.23
Current maturities of non current borrowings (refer note 25)	10,842.13	8,558.13
Total debt (b)	83,669.57	71,167.80
Net debt [c = (b) - (a)]	80,747.47	70,247.90
Total capital (equity+net debt)	1,41,416.77	1,27,822.20
Gearing ratio		
Debt to equity	138%	124%
Net debt to equity ratio	133%	122%

Notes forming part of Consolidated Financial Statements

NOTE - 45 FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Categories of financial instruments

(₹ in lakh)

Financial assets	Notes	31 March 2024			31 March 2023		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Trade receivable	13	45,334.46	-	-	37,761.01	-	-
Other financial assets	8, 16	2,441.39	-	-	2,328.88	-	-
Cash and bank balances	14, 15	2,932.69	-	-	926.90	-	-
Investments	7	10,351.46	-	-	8,794.55	-	-
Total financial assets		61,060.00	-	-	49,811.34	-	-

(₹ in lakh)

Financial liabilities	Notes	31 March 2024			31 March 2023		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Current payables	25, 27, 28	1,08,991.27	-	-	97,779.22	-	-
Lease	21,26	20,950.58	-	-	24,585.63	-	-
Non-current payables	22	5,751.04	-	-	4,954.92	-	-
Non-current borrowings	20	33,919.72	-	-	32,805.23	-	-
Financial liabilities		1,69,612.61	-	-	1,60,125.00	-	-
Total financial assets/ (liabilities)		(1,08,552.61)	-	-	(1,10,313.66)	-	-

Financial risk management objective

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Group is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The use of any derivative is approved by the management of the respective company in the Group, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group is exposed to credit risk for receivables, cash and cash equivalents, short term investments, financial guarantee and derivative financial instruments.

Cash and cash equivalents and short term investments

The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Group has also availed borrowings. The Company does not maintain significant deposit balances other than those required for its day to day operations.

Notes forming part of Consolidated Financial Statements

NOTE - 45 FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Trade receivables

The Group extends credits to customer in normal course of the business. The Group considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer. The Group monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets. The Group also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 90 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 10 per cent of total net revenue from operations

Expected credit loss:

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
Not due for payment	0
Up to 6 months	0
From 6 months to 1 year	0
From 1 year to 3 years	10 to 100
More than 3 years	100

Ageing of past due trade receivables

Particulars	₹ in lakh	
	As at 31 March 2024	As at 31 March 2023
Not due for payment	19,214.45	16,595.61
Up to 6 months	20,577.06	15,555.25
From 6 months to 1 year	2,275.54	2,292.83
From 1 year to 3 years	4,593.34	4,029.49
More than 3 years	5,696.28	4,327.51

Ageing of impaired trade receivables

Particulars	₹ in lakh	
	As at 31 March 2024	As at 31 March 2023
Up to 6 months *	157.38	-
From 6 months to 1 year *	367.78	8.57
From 1 year to 3 years	800.77	703.60
More than 3 years	5,696.28	4,327.51

* Based upon lifetime expected credit loss

Notes forming part of Consolidated Financial Statements

NOTE - 45 FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Liquidity risk:

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due.

The Group objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date and, where applicable, their effective interest rates.

Particulars	(₹ in lakh)				
	As at 31 March 2024				
	Notes	not later than one year	later than one year and not later than five years	later than five years	Total
Financial liabilities					
Borrowings - bank loans	20,25	49,749.85	29,379.71	4,540.01	83,669.57
Current payables	26,27,28	63,523.63	-	-	63,523.63
Non-current payables	21,22	-	15,626.99	12,129.97	27,756.96
Total		1,13,273.48	45,006.70	16,669.98	1,74,950.16

Particulars	(₹ in lakh)				
	As at 31 March 2023				
	Notes	not later than one year	later than one year and not later than five years	later than five years	Total
Financial liabilities					
Borrowings - bank loans	20,25	38,362.57	32,256.91	548.32	71,167.80
Current payables	26,27,28	64,275.06	-	-	64,275.06
Non-current payables	21,22	-	15,907.15	15,752.55	31,659.70
Total		1,02,637.63	48,164.06	16,300.87	1,67,102.56

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including:

Forward foreign exchange contract to hedge the exchange rate risk arising on the export of its products.

Forward foreign exchange contract to hedge the exchange rate risk arising on translation of the foreign currency loans.

Notes forming part of Consolidated Financial Statements

NOTE - 45 FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Currency risk

The Group undertakes various transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Group transacts business primarily in Indian Rupee, USD, EUR and CNY. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopted a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in lakh)			
Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Trade receivables	USD	1.59	3.59
Trade payables	USD	106.65	158.78
	EUR	0.32	2.43
	CNY	0.20	-
Currency rate		As at 31 March 2024	As at 31 March 2023
USD		83.3739	82.2169
EUR		90.2178	89.6076
CNY		11.6725	-

Of the above foreign currency exposures, following exposures are not hedged:

(in lakh)			
Particulars	Currency	As at 31 March 2024	As at 31 March 2023
Trade receivables	USD	1.59	3.59
Trade payables	USD	106.65	158.78
	EUR	0.32	2.43
	CNY	0.20	-

Notes forming part of Consolidated Financial Statements

NOTE - 45 FINANCIAL INSTRUMENTS AND RISK REVIEW (Contd.)

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, EUR and CNY to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

Particulars	Change in currency exchange rate	Effect on profit before tax	
		31 March 2024	31 March 2023
USD	5%	(437.97)	(637.96)
	-5%	437.97	637.96
EUR	5%	(1.46)	(10.90)
	-5%	1.46	10.90
CNY	5%	(0.12)	-
	-5%	0.12	-

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Group at the end of each reporting period.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debts. Its objective in managing its interest rate risk is to ensure that it always maintain sufficient head room to cover interest payment from anticipated cash flows which is regularly reviewed by the board/nominated committee as well.

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the interest rates is given below:

Particulars	Change in interest rate	Effect on profit before tax	
		31 March 2024	31 March 2023
Long term borrowings	0.50%	(223.81)	(206.82)
	-0.50%	223.81	206.82

Commodity risk

The Group is exposed to the movement in the price of key traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation the prices of key traded goods. The Company enter into contracts for procurement of traded goods, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

Fair valuation techniques and inputs used

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key input
	31 March 2024	31 March 2023		
	Deemed equity contribution towards letter of guarantee	28.24		

Other financial instruments

The carrying amount of the financial assets and liabilities carried at amortised cost is considered a reasonable approximation of fair value.

Notes forming part of Consolidated Financial Statements

NOTE 46 - SEGMENT REPORTING

Identification of segment:

The group's operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The group has accordingly identified to primary business segments i.e. building products, consumer products, and retail business.

The activities of the group are primarily limited with in the Indian Territories having no variation in risk and returns. Consequently, information in respect of geographical segment in not given.

Unallocated items: The corporate and other segment includes general corporate income and expense items, which is not allocated to any business segment.

							(₹ in lakh)
Particulars	Building products	Consumer products	Retail business	Others	Inter segment elimination	Unallocated	Total
Segment revenue							
For the year ended 31 March 2024	2,35,464.45	42,171.75	2,371.96	-	(4.96)	-	2,80,003.20
For the year ended 31 March 2023	2,31,514.33	50,085.45	5,638.39	-	(9.20)	-	2,87,228.97
Other income							
For the year ended 31 March 2024	3,007.67	1,128.88	171.48	-	(591.89)	-	3,716.16
For the year ended 31 March 2023	3,004.63	1,271.61	29.64	-	(756.82)	11.70	3,560.76
Segment results							
For the year ended 31 March 2024	21,443.28	(2,977.59)	(2,939.39)	(15.25)	-	(327.06)	15,183.99
For the year ended 31 March 2023	17,440.70	1,032.94	(163.70)	(14.12)	-	(286.87)	18,008.95
Interest expenses							
For the year ended 31 March 2024							9,509.71
For the year ended 31 March 2023							7,710.44
Income tax (including deferred tax)							
For the year ended 31 March 2024							1,998.61
For the year ended 31 March 2023							3,652.51
Profit after tax							
For the year ended 31 March 2024							3,675.67
For the year ended 31 March 2023							6,646.00
Share in profit/(loss) from joint venture							
For the year ended 31 March 2024							(911.95)
For the year ended 31 March 2023							(890.79)

Notes forming part of Consolidated Financial Statements

NOTE 46 - SEGMENT REPORTING (Contd.)

							(₹ in lakh)
Particulars	Building products	Consumer products	Retail business	Others	Inter segment elimination	Unallocated	Total
Total profit/(loss)							
For the year ended 31 March 2024							2,763.72
For the year ended 31 March 2023							5,755.21
Other information							
Segment assets							
31 March 2024	1,92,523.40	41,884.89	1,154.50	36.86	-	6,431.62	2,42,031.27
31 March 2023	1,78,143.32	39,653.82	4,153.43	47.62	-	8,267.11	2,30,265.30
Segment liabilities							
31 March 2024	1,48,887.21	27,307.47	5,056.64	7.54	-	103.11	1,81,361.97
31 March 2023	1,39,668.60	29,852.65	1,806.47	3.01	-	632.27	1,71,963.00
Capital expenditure							
For the year ended 31 March 2024	14,423.70	851.48	17.18	-	-	-	15,292.36
For the year ended 31 March 2023	16,218.19	1,430.16	36.89	-	-	-	17,685.24
Assets acquired through Business acquisition							
For the year ended 31 March 2024	-	-	-	-	-	-	-
For the year ended 31 March 2023	2,671.98	-	-	-	-	-	2,671.98
Depreciation and amortisation							
For the year ended 31 March 2024	10,153.57	1,726.66	419.81	4.06	-	-	12,304.10
For the year ended 31 March 2023	8,281.81	1,438.51	373.53	3.77	-	-	10,097.62
Other non-cash expenses							
Provision for doubtful debts and advances							
For the year ended 31 March 2024	496.85	1,006.31	760.68	-	-	-	2,263.84
For the year ended 31 March 2023	918.47	438.83	(7.64)	-	-	-	1,349.66

Notes forming part of Consolidated Financial Statements

NOTE 47 - EMPLOYEE BENEFITS

A. Defined contribution plan

The group operates defined contribution retirement benefit plans for all employees. The Provident Fund contributions are made to Regional Provident Fund, the Company has no further obligations beyond its monthly contributions.

The group contribution to Provident Fund and Superannuation Fund aggregating to ₹ 1,658.93 lakhs (previous year ₹ 1,395.64 lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

B. Defined benefit plans

Gratuity

The group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the respective company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Birla Sun Life Insurance Company Limited.

Details of the Group's defined benefit plans are as follows:

Particulars	(₹ in lakh)	
	Gratuity (Funded plan)	
	31 March 2024	31 March 2023
Current service cost	416.20	363.30
Net interest expense/(income)	38.96	1.31
Plan Amendment	-	461.43
Components of defined benefit costs recognised in profit or loss	455.16	826.04
Net actuarial (gain)/loss	164.32	41.27
Expected return on plan assets excluding interest income	(154.90)	94.02
Components of defined benefit costs recognised in other comprehensive income	9.42	135.29
I. Net asset/ liability recognised in the balance sheet as at 31 March		
1. Present value of defined benefit obligation	3,610.56	3,157.60
2. Fair value of plan assets	2,906.53	2,430.66
3. Deficit	704.03	726.94
II. Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	3,157.60	2,373.33
2. Expenses recognised in the statements of profit and loss		
- Current service cost	416.20	363.30
- Interest expense	208.38	162.57
- Plan Amendment	-	461.43
3. Recognised in other comprehensive income		
- Actuarial (gain)/loss arising from experience adjustments	79.51	11.07
- Actuarial (gain)/loss arising from financial assumption	84.81	30.20
4. Benefit payments	(335.94)	(244.30)
5. Present value of defined benefit obligation at the end of the year	3,610.56	3,157.60
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year	2,430.66	2,230.18
2. Recognised in the statement profit and loss		
- Expected return on plan assets	169.42	161.26
3. Recognised in other comprehensive income		
- Actual return on plan assets in excess of the expected return	154.90	(94.02)
4. Contributions by employer (including benefit payments recoverable)	487.49	377.54
5. Benefit payments	(335.94)	(244.30)
6. Fair value of plan assets at the end of the year	2,906.53	2,430.66

Notes forming part of Consolidated Financial Statements

NOTE 47 - EMPLOYEE BENEFITS (Contd.)

Details of the Group's defined benefit plans are as follows:

Particulars	(₹ in lakh)	
	Gratuity (Unfunded plan)	
	31 March 2024	31 March 2023
Current service cost	0.15	0.13
Net interest expense/(income)	0.07	0.06
Components of defined benefit costs recognised in profit or loss	0.22	0.19
Net actuarial (gain)/loss	0.01	0.04
Expected return on plan assets excluding interest income	-	-
Components of defined benefit costs recognised in other comprehensive income	0.01	0.04
Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	0.99	0.76
2. Expenses recognised in the statements of profit and loss		
- Current service cost	0.15	0.13
- Interest expense	0.07	0.06
3. Recognised in other comprehensive income		
- Actuarial (gain)/loss arising from experience adjustments	0.01	-
- Actuarial (gain)/loss arising from financial assumption	-	0.04
4. Benefit payments	-	-
6. Present value of defined benefit obligation at the end of the year	1.22	0.99

IV. The major categories of plan assets

The group made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The group was informed by BSL that the planned assets are held in growth/fixed interest bonds.

V. Actuarial assumptions

	31 March 2024	31 March 2023
1. Discount rate	6.97%-7.36%	7.23%-7.24%
2. Expected rate of increase in compensation level	6.50%	6.50%
3. Expected rate of return on plan assets	6.97%	7.23%-7.24%
4. Attrition rate	1.00%	1.00%
5. Mortality table	IIAM 2012-15	IALM 2012-14
6. Superannuation age	58	58

VI. Sensitivity analysis

Particulars	(₹ in lakh)			
	31 March 2024		31 March 2023	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(164.91)	0.50%	(142.46)
	-0.50%	179.18	-0.50%	154.65
Expected rate of increase in compensation level	0.50%	178.53	0.50%	154.33
	-0.50%	(165.81)	-0.50%	(143.40)

Notes forming part of Consolidated Financial Statements

NOTE 47 - EMPLOYEE BENEFITS (Contd.)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.

VII. Experience adjustments:

Particulars	(₹ in lakh)				
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
1. Defined benefit obligation	3,610.56	3,157.60	2,373.33	766.88	730.09
2. Fair value of plan assets	2,906.53	2,430.66	2,230.18	674.44	562.57
3. Surplus/(deficit)	(704.03)	(726.94)	(143.15)	(92.44)	(167.52)
4. Experience adjustment on plan liabilities gain/(loss)	(79.51)	(11.07)	62.97	14.66	46.61

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

C. Other long-term benefits - Compensated absences (unfunded)

Particulars	(₹ in lakh)	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Amounts recognised in the balance sheet		
Non current (Refer note 23)	946.01	853.88
Current (Refer note 30)	142.38	311.86
	1,088.39	1,165.74
Amounts recognised in the statement of profit and loss		
Current service cost	268.43	241.80
Interest cost	85.80	72.88
Actuarial loss /(gain)	(83.95)	147.42
Total included in employee benefits expense	270.28	462.10
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	1,165.74	1,015.15
Interest cost	85.80	72.88
Current service cost	268.43	241.80
Benefits paid	(347.63)	(311.51)
Actuarial loss /(gain)	(83.95)	147.42
Defined benefit obligation at the end of the year	1,088.39	1,165.74

Notes forming part of Consolidated Financial Statements

NOTE 48- IND AS 116 LEASES

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

The following is the break-up of current and non-current lease liabilities as at March 31, 2024:

Particulars	(₹ in lakh)	
	31 March 2024	31 March 2023
Current lease liabilities	2,909.21	3,228.53
Non current lease liabilities	18,041.37	21,357.10
Total	20,950.58	24,585.63

The following is the movement in lease liabilities during the year ended March 31, 2024:

Particulars	(₹ in lakh)	
	31 March 2024	31 March 2023
Balance at the beginning	24,585.63	23,077.29
Addition	1,055.88	5,713.55
Finance cost accrued during the period	1,631.94	1,826.86
Deletions/adjustment	(1,574.76)	(1,264.36)
Payment of lease liabilities	(4,748.11)	(4,767.71)
Balance at the end	20,950.58	24,585.63

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

Particulars	(₹ in lakh)	
	31 March 2024	31 March 2023
Less than one year	4,282.21	4,858.41
One to five years	15,626.99	15,907.15
More than five years	6,378.93	10,797.63
Total	26,288.13	31,563.19

Rental expense recorded for short-term leases was ₹ 657.94 lakh (Previous year ₹ 786.22 lakh) for the year ended March 31, 2024.

Notes forming part of Consolidated Financial Statements

NOTE 49 - FINANCIAL INSTRUMENTS BY CATEGORY

(₹ in lakh)

Particulars	31 March 2024			31 March 2023		
	FVTOCI	FVTPL	Amortised cost	FVTOCI	FVTPL	Amortised cost
Non current financial assets						
Investments [^]	-	-	10,351.46	-	-	8,794.55
Other financial assets	-	-	1,127.80	-	-	893.00
Current financial assets						
Trade receivable	-	-	45,334.46	-	-	37,761.01
Cash and cash equivalents	-	-	2,922.10	-	-	919.90
Bank balances other than cash and cash equivalents	-	-	10.59	-	-	7.00
Other financial assets	-	-	1,313.59	-	-	1,435.88
Total financial assets	-	-	61,060.00	-	-	49,811.34
Non current financial liabilities						
Non-current borrowings	-	-	33,919.72	-	-	32,805.23
Non-current lease liabilities	-	-	18,041.37	-	-	21,357.10
Other financial liabilities	-	-	5,751.04	-	-	4,954.92
Current financial liabilities						
Current borrowings	-	-	49,749.85	-	-	38,362.57
Current lease liabilities	-	-	2,909.21	-	-	3,228.53
Trade payables	-	-	31,196.92	-	-	29,722.10
Other financial liabilities	-	-	28,044.50	-	-	29,694.55
Total financial liabilities	-	-	1,69,612.61	-	-	1,60,125.00

[^] Including deemed equity contribution

Notes forming part of Consolidated Financial Statements

NOTE 50 - ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2024 (PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Parent	8,708.15	14.35	(3,598.72)	(130.21)	13.87	(168.32)	(3,584.85)	(130.10)
Indian Subsidiaries								
Evok Homes Private Limited [#]	(541.32)	(0.89)	(1,061.87)	(38.42)	0.01	(0.12)	(1,061.86)	(38.54)
Hindware Limited	48,266.09	79.56	10,309.00	373.01	(23.02)	279.37	10,285.98	373.29
Trufluo Pipes Limited	16.90	0.03	(1.90)	(0.07)	-	-	(1.90)	(0.07)
Foreign Subsidiaries								
Halis International Limited	5.20	0.01	(7.16)	(0.26)	0.05	(0.61)	(7.11)	(0.26)
Queo Bathroom Innovations Limited	12.47	0.02	(6.20)	(0.22)	(0.09)	1.09	(6.29)	(0.23)
Adjustment due to consolidation	3,315.57	5.46	(2,143.16)	(77.55)	0.42	(5.10)	2,142.72	(77.75)
Joint Venture:								
Hintastica Private Limited	-	-	(911.95)	(33.00)	0.94	(11.41)	(911.01)	(33.06)
Minority interest in all subsidiaries	886.24	1.46	185.66	6.72	(0.42)	5.10	185.24	6.72
Consolidated Net Assets / profit after tax	60,669.30	100.00	2,763.72	100.00	(8.24)	100.00	2,755.48	100.00

Additional information to consolidated financial statements as at 31 March 2023 (Pursuant to Schedule III to the Companies Act, 2013):

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Parent	12,654.48	21.70	1,060.40	18.42	(5.60)	5.69	1,054.80	18.65
Indian Subsidiaries								
Evok Homes Private Limited [#]	(183.47)	(0.31)	(271.31)	(4.71)	(0.03)	0.03	(271.34)	(4.80)
Hindware Limited	40,947.11	70.24	8,800.41	152.92	(94.81)	96.35	8,705.60	153.90
Luxxis Heating Solutions Private Limited [*]	-	-	-	-	-	-	-	-
Trufluo Pipes Limited	18.80	0.03	(1.20)	(0.02)	-	-	(1.20)	(0.02)
Foreign Subsidiaries								
Halis International Limited	12.31	0.02	(7.33)	(0.13)	(0.97)	0.98	(8.30)	(0.15)
Queo Bathroom Innovations Limited	18.76	0.03	(5.58)	(0.10)	(0.10)	0.10	(5.68)	(0.10)
Adjustment due to consolidation	4,106.31	7.04	(2,975.59)	(51.70)	2.40	(2.44)	(2,973.19)	(52.56)
Joint Venture:								
Hintastica Private Limited	-	-	(890.79)	(15.48)	3.09	(3.14)	(887.70)	(15.69)
Minority interest in all subsidiaries	728.00	1.25	46.20	0.80	(2.38)	2.42	43.82	0.77
Consolidated Net Assets / profit after tax	58,302.30	100.00	5,755.21	100.00	(98.40)	100.00	5,656.81	100.00

The above figures for parents, its subsidiaries & Joint ventures are before inter company eliminations and consolidation adjustments

* Voluntarily struck off w.e.f 28 April 2023

Formerly known as Hindware Home Retail Private Limited

Notes forming part of Consolidated Financial Statements

NOTE 51 - DIVIDEND

The Board of Directors have recommended a dividend of 20% i.e. ₹ 0.40 /- (previous year ₹ 0.50 /-) on equity share of ₹ 2 /- each for the year ended 31 March 2024 subject to approval of shareholder's in the ensuing General Meeting

NOTE 52 - DISCLOSURE OF STRUCK-OFF COMPANIES

(₹ in lakh)					
S. No.	Name of Struck-off company(as per MCA)	Nature of transaction with struck-off company	Balance as on 31 March 2024	Balance as on 31 March 2023	Relationship with the struck-off company
1	S V Electronics Limited	Purchase of goods	-	(0.00)	Vendor
2	Red Pearl Ventures Private Limited	Sale of goods	0.13	0.13	Customer
3	Build Bath Private Limited	Sale of goods	1.20	1.20	Customer
4	R.L. Dalal & Company Private Limited	Sale of goods	0.03	0.03	Customer
5	Indus Global Exim Private Limited	Purchase of goods	(0.45)	(0.45)	Vendor
6	GCL Enterprises Private Limited	Sale of goods	(0.05)	-	Customer

Details of other struck off entities holding equity shares in the holding company is as below (Contd.):

S No. Name of struck off Company	No. of shares held (In no.)	Paid-up as at 31 March 2024 (In ₹)	Paid-up as at 31 March 2023 (In ₹)
1 Rocket Investment Private Limited	7	-	14

NOTE 53 - DISCONTINUE OPERATIONS

- The "Retail Business" of the company constitutes of furniture & furnishing retail done through subset of physical stores as well as franchise stores across India and online retail through website "evok.in". The online business is carried through wholly owned subsidiary of the Company, EVOK Homes Private Limited (the "EHPL"). Being in highly competitive market especially after emergence of many online furniture stores, the business sales growth and profitability remained under pressure. Despite all diligent efforts over the past years, the Retail Business continued to incur losses.
- The Board in its meeting held on 28 May 2024 has made decision to discontinue operations of the Retail Business and has also approved the sale/liquidation of various assets relating to the Retail Business. Basis above, the Company is in process of assessing item-wise realisability of carrying value of assets of the Retail Business. Based on preliminary assessment made, the Company in its standalone financials for the year ended 31 March, 2024 made provisions amounting to ₹ 2,029.92 lakhs including impairment of its investment held in EHPL of ₹ 955.38 lakhs. The net impact of the above on the consolidated financial statement amounts to ₹ 1,558.09 lakhs. The additional impact, if any post sale/liquidation of assets, will be provided as an when finally assessed/settled, however same would not be material in opinion of the management.

NOTE 54 - AUDIT TRAIL

With effect from April 1, 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for every company incorporated in India, which uses accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Holding company and its three subsidiary incorporated in India along with a Joint Venture has widely used ERP as its accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the financial year for all relevant transactions recorded in the said software except (a) the audit trail feature was not enabled throughout the year for certain relevant tables at the application level ; and (b) that the audit trail (edit log) for certain information at database level (which records only modified values) was not enabled during the year.

Notes forming part of Consolidated Financial Statements

NOTE 55 - OTHER DISCLOSURES

- (a) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder
- (b) The Group have not traded or invested in crypto currency or virtual currency during the financial year
- (c) There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are: (a) repayable on demand; or (b) without specifying any terms or period of repayment
- (d) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017
- (e) The Group has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority
- (f) Utilisation of borrowed funds and share premium
 - (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 - (ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- (g) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account

NOTE 56 - Gain on foreign exchange fluctuation amounting to ₹ 98.15 lakh in previous year has been regrouped under Other Income from Other Operating Revenue. The same is not having any impact on profit and loss account.

Notes forming part of Consolidated Financial Statements

NOTE 57 - SOCIAL SECURITY CODE

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

NOTE 58 - Previous period figures have been regrouped /re-arranged wherever considered necessary to conform to the current year's classification.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Lodha & CO LLP**

Chartered Accountants

Firm Registration No.:301051E/E300284

Shyamal Kumar

Partner

M. No. 509325

Place: New Delhi

Date: 28 May 2024

G. L. Sultania

Director

DIN: 00060931

Payal M Puri

Company Secretary

ACS No.: 16068

Place: Gurugram

Date: 28 May 2024

Sandip Somany

Chairman

DIN: 00053597

Naveen Malik

Chief Executive Officer and Chief Financial Officer

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rule, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY/ASSOCIATE COMPANIES/JOINT VENTURES

Part "A": Subsidiaries

(₹ in lakh)																
Sr. No.	Name of Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments (Other than subsidiary)	Turnover (including other operating income)	Profit before taxation	Provision for taxation	Profit after taxation	Other comprehensive income	Total comprehensive income for the year	Proposed dividend	% of shareholding (including step-down subsidiary holding)
1	Evok Homes Private Limited (Subsidiary of Hindware Home Innovation Limited)	Reporting period is same as holding company	INR	768.00	(1,309.32)	0.98	542.30	-	187.48	(928.90)	132.96	(1,061.86)	0.01	(1,061.85)	-	100%
2	Hindware Limited (Subsidiary of Hindware Home Innovation Limited)		INR	989.00	47,304.09	1,97,153.30	1,48,887.21	1.21	2,35,464.45	13,931.17	3,622.17	10,309.00	(23.02)	10,285.98	-	98%
3	Halis International Ltd. (Subsidiary of Hindware Ltd.)		USD 1 = INR 83.3739	2,010.62	(2,005.43)	7.70	2.50	-	-	(7.16)	-	(7.16)	0.05	(7.11)	-	98%
4	Queo Bathroom Innovations Ltd. (Subsidiary of Halis International)		GBP 1 = INR 105.2935	5.35	7.12	16.68	4.21	-	-	(6.20)	-	(6.20)	(0.09)	(6.29)	-	98%
5	Trufllo Pipes Limited (Subsidiary of Hindware Ltd.)		INR	20	(3.10)	19.69	2.79	-	-	(1.90)	-	(1.90)	-	(1.90)	-	98%

Note 1: Name of subsidiaries which are yet to commence operations : Trufllo Pipes Limited

Note 2: Name of subsidiaries which have been liquidated or sold during the year : Nil

Form AOC-1 (Contd.)

Part "B": Associates and Joint Ventures

Sr. No.	Name of Associates/Joint Ventures	1. Latest audited Balance Sheet Date	2. Share of Associate/Joint Venture held by the company on the year end			3. Description of how there is significant influence	4. Reason why the associate/joint venture is not consolidated	5. Net worth attributable to Shareholding as per latest audited Balance Sheet	6. Profit/Loss for the year		
			No.	Amount of investment in Associates/ Joint Venture	Extend of Holding %				i. Considered in Consolidation		i. Not considered in Consolidation
									j. Profit/Loss for the year		
1	Hinstastica Private Limited	Reporting period is same as Parent company	4,22,861	6,186.34	50%	Through voting rights	Joint venture in terms of Ind AS 110	-	(911.95)	Nil	

Note 1: Name of associates or joint ventures which are yet to commence operations: Nil

Note 2: Name of associates or joint ventures which have been liquidated or sold during the year: Nil

G.L. Sultania
Director
DIN: 00060931

Payal M Puri
Company Secretary
ACS No.: 16068

Place: Gurugram
Date: 28 May 2024

Sandip Somany
Chairman
DIN: 00053597

Naveen Malik
Chief Executive Officer and Chief Financial Officer

**UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2024**



Chartered Accountants

12, Bhagat Singh Marg, New Delhi - 110 001, India
Telephone : 91 11 23710176 / 23710177 / 23364671 / 2414
Fax : 91 11 23345168 / 23314309
Email : delhi@lodhaco.com

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to

The Board of Directors

Hindware Home Innovation Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Hindware Home Innovation Limited (the "Company") for the quarter ended 30th June, 2024 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulation. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Regd. Office : 19, Esplanade Mansions, 14 Government Place East, Kolkata 700069, West Bengal, India.
Lodha & Co (Registration No. 301051E) a Partnership Firm was converted into Lodha & Co LLP
(Registration No. 301051E/E300284) a Limited Liability Partnership with effect from December 27, 2023

Kolkata Mumbai New Delhi Chennai Hyderabad Jaipur

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For LODHA & CO LLP
Chartered Accountants
Firm Registration No: 301051E/E300284



Shyamal Kumar
Partner
Membership No. 509325
UDIN: 24509325 BKABVX8255



Place: Gurugram
Date: 9th August 2024

Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to

The Board of Directors

Hindware Home Innovation Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Hindware Home Innovation Limited ("the Company"/ "Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its share of net profit/ (loss) after tax and total comprehensive income/(loss) of its joint venture for the quarter ended June 30, 2024 (the "statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulation").
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of Listing Regulation. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of



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Lodha & Co (Registration No. 301051E) a Partnership Firm was converted into Lodha & Co LLP
(Registration No. 301051E/E300284) a Limited Liability Partnership with effect from December 27, 2023

Kolkata Mumbai New Delhi Chennai Hyderabad Jaipur

interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

Subsidiary companies

- I. Hindware Limited
- II. Evok Homes Private Limited
- III. Trufflo Pipes Limited \$
- IV. Halis International Limited \$ (HIL)
- V. QUEO Bathroom Innovations Limited*

\$ Subsidiary of Hindware Limited.

** Subsidiary of HIL*

Joint venture

- I. Hintastica (P) Ltd. (HPL)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, (as amended), read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Other Matters

6. We did not review the interim financial results and other financial information in respect of four (4) subsidiaries included in the consolidated unaudited financial results, whose interim financial results/information reflect total income of Rs. 0.04 Crore, total net profit/ (Loss) after tax of Rs. (0.04) Crore, total comprehensive income of Rs. (0.04) Crore for the quarter ended 30th June, 2024. According to the information and explanations given to us by the Management, these interim financial results which are approved and certified by the management and other financial information are not material to the Group.

7. Certain of these subsidiaries are located outside India whose financial results and other information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been provided by the management of subsidiary under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the interim financial results/information of such subsidiary located outside India from accounting principles generally accepted in India is based on the management certified financial statements & Financial information in case the subsidiary is unaudited and conversion adjustments prepared by the management of the Company and reviewed by us.

Our conclusion on the Statement is not modified in respect of the above matters.

For LODHA & CO LLP

Chartered Accountants

Firm Registration No. 301051E/E300284



Shyamal Kumar

Partner

Membership No: 509325

UDIN: 24509325BK8BVW6217

Place: Gurugram

Date: 09/August/2024



HINDWARE HOME INNOVATION LIMITED									
REGD. OFFICE: 2, RED CROSS PLACE, KOLKATA-700 001									
WEBSITE: WWW.HINDWAREHOMES.COM CIN : L74999WB2017PLC222970 TEL: 033-22487407/5668 EMAIL: INVESTORS@HINDWAREHOMES.COM									
PART I									
STATEMENT OF UNAUDITED CONSOLIDATED AND STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2024									
(₹ in crore)									
S. No.	Particulars	Consolidated				Standalone			
		Three months period ended			Year ended 31st March 2024 (Restated)	Three months period ended			Year ended 31st March 2024 (Restated)
		30th June 2024	31st March 2024 (Restated)	30th June 2023 (Restated)		30th June 2024	31st March 2024 (Restated)	30th June 2023 (Restated)	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
Continuing operations									
Income									
I	Revenue from operations	599.91	772.43	622.96	2,776.31	110.53	108.23	104.94	421.72
II	Other income (refer note 2)	12.36	8.57	8.33	35.56	4.90	2.57	32.32	40.77
III	Total income (I+II)	612.27	781.00	631.29	2,811.87	115.43	110.80	137.26	462.49
Expenses									
IV	a) Cost of materials consumed	169.11	174.83	153.28	627.64	-	-	-	-
	b) Purchases of stock-in-trade	175.94	196.46	186.10	847.51	68.01	84.69	56.64	261.70
	c) Changes in inventories of finished goods, stock-in-trade and work in progress	(27.21)	63.72	(8.23)	36.54	1.96	(12.26)	7.83	0.74
	d) Employee benefits expense	107.89	111.21	104.46	426.19	15.60	17.12	16.96	67.48
	e) Finance cost	23.93	24.29	21.84	92.63	4.75	4.48	4.54	17.76
	f) Depreciation and amortization expense	30.73	30.69	28.26	118.84	4.59	4.34	4.14	17.27
	g) Power and Fuel	20.86	26.43	20.64	92.12	0.13	0.07	0.01	0.36
	h) Other expenses	110.31	124.57	104.17	481.80	27.01	30.98	26.63	121.02
	Total expenses (IV)	611.56	752.20	610.52	2,723.27	122.05	129.42	116.75	486.33
V	Profit/(loss) before tax	0.71	28.80	20.77	88.60	(6.62)	(18.62)	20.51	(23.84)
Tax expense									
VI	a) Current tax	2.35	11.17	18.16	35.83	-	(0.47)	10.21	-
	b) Minimum alternative tax (entitlement)/charged	-	-	-	3.68	-	-	-	3.68
	c) Earlier Year Income Tax	-	-	-	2.83	-	-	-	1.69
	d) Deferred tax charge/(benefit)	(2.14)	(3.50)	(3.03)	(12.48)	(1.81)	(3.90)	(2.65)	(11.73)
	Tax expenses (VI)	0.21	7.67	15.13	29.86	(1.81)	(4.37)	7.56	(6.36)
VII	Profit/(loss) for the period (V - VI)	0.50	21.13	5.64	58.74	(4.81)	(14.25)	12.95	(17.48)
VIII	Share in profit/(loss) after tax of joint venture	(3.89)	(4.16)	(2.20)	(9.12)	-	-	-	-
IX	Net profit/(loss) after tax and share in profit/(loss) of joint ventures from Continuing Operations (VII + VIII)	(3.39)	16.97	3.44	49.62	(4.81)	(14.25)	12.95	(17.48)



(₹ in crore)

S.No.	Particulars	Consolidated				Standalone			
		Three months period ended			Year ended	Three months period ended			Year ended
		30th June 2024	31st March 2024 (Restated)	30th June 2023 (Restated)	31st March 2024 (Restated)	30th June 2024	31st March 2024 (Restated)	30th June 2023 (Restated)	31st March 2024 (Restated)
(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)		
Discontinued Operations (refer note 3)									
X	Profit/(Loss) before tax from Discontinued Operations	(0.81)	(20.50)	(4.02)	(31.86)	(0.82)	(22.19)	(2.42)	(29.71)
XI	Tax expenses/(benefit) of discontinued operations	(0.29)	(6.26)	(1.25)	(9.87)	(0.28)	(8.57)	(0.85)	(11.20)
XII	Profit/(Loss) for the year from Discontinued Operations (X-XI)	(0.52)	(14.24)	(2.77)	(21.99)	(0.54)	(13.62)	(1.57)	(18.51)
XIII	Other comprehensive income (net of tax)- Continuing operations								
	(i) Items that will not be reclassified to profit or loss	(0.04)	0.45	(0.20)	(0.12)	0.05	0.23	(0.02)	0.17
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.01	(0.14)	0.05	0.01	(0.02)	(0.08)	0.01	(0.07)
	(iii) Exchange difference on translation of foreign operations	(0.00)	0.00	(0.00)	(0.00)	-	-	-	-
	(iv) Share in other comprehensive income of joint venture (net of tax)	0.00	(0.01)	0.01	0.01	-	-	-	-
	Other comprehensive income (net of tax)- Discontinued operations								
	(i) Items that will not be reclassified to profit or loss	0.01	0.05	(0.00)	0.03	0.01	0.04	(0.00)	0.04
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.00)	(0.01)	0.00	(0.01)	(0.00)	(0.02)	0.00	(0.01)
	(iii) Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	-
	(iv) Share in other comprehensive income of joint venture (net of tax)	-	-	-	-	-	-	-	-
	Total other comprehensive income (XIII)	(0.02)	0.34	(0.14)	(0.08)	0.04	0.17	(0.01)	0.13
XIV	Total comprehensive income for the period (IX+XII+XIII)	(3.93)	3.07	0.53	27.55	(5.31)	(27.70)	11.37	(35.86)
XV	Net Profit attributable to:								
	a) Owners of the Company	(4.01)	2.14	0.27	25.77	-	-	-	-
	b) Non-Controlling Interest	0.10	0.59	0.40	1.86	-	-	-	-
XVI	Other Comprehensive income attributable to:								
	a) Owners of the Company	(0.02)	0.34	(0.13)	(0.08)	-	-	-	-
	b) Non-Controlling Interest	(0.00)	0.00	(0.01)	(0.00)	-	-	-	-
XVII	Earnings before interest, tax, depreciation and amortization (EBITDA) [IV(c)+IV(f)+V] from continuing operations	55.37	83.78	70.87	300.07	2.72	(9.80)	29.19	11.19
XVIII	Paid-up equity share capital (face value ₹ 2/- per share)	14.46	14.46	14.46	14.46	14.46	14.46	14.46	14.46
XIX	Other equity (excluding revaluation reserve)				583.37				72.62
XX	Earnings per share : (of ₹ 2/- each) (not annualized)								
	(a) Basic-Continuing operations (₹)	(0.48)	2.27	0.42	6.61	(0.67)	(1.97)	1.79	(2.42)
	(b) Diluted-Continuing operations (₹)	(0.48)	2.27	0.42	6.61	(0.67)	(1.97)	1.79	(2.42)
	(c) Basic- Discontinued operations (₹)	(0.07)	(1.97)	(0.33)	(3.05)	(0.07)	(1.88)	(0.22)	(2.56)
	(d) Diluted Discontinued operations (₹)	(0.07)	(1.97)	(0.33)	(3.05)	(0.07)	(1.88)	(0.22)	(2.56)
	(e) Basic- Continuing and discontinued operations (₹)	(0.55)	0.30	0.09	3.56	(0.74)	(3.85)	1.57	(4.98)
	(f) Diluted- Continuing and discontinued operations (₹)	(0.55)	0.30	0.09	3.56	(0.74)	(3.85)	1.57	(4.98)



PART II		(₹ in crore)			
Segment wise revenue, results, assets and liabilities		Consolidated			
Particulars		Three months period ended			Year ended
		30th June 2024	31st March 2024 (Restated)	30th June 2023 (Restated)	31st March 2024 (Restated)
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Segment revenue from operation:				
	a) Consumer appliances business	110.53	108.23	104.94	421.72
	b) Retail business (discontinued operations refer note 3)	(2.59)	1.24	10.69	23.72
	c) Building products	489.41	664.21	518.03	2,354.64
	d) Others	-	-	-	-
	Total	597.35	773.68	633.66	2,800.08
	Less : Revenue of discontinued operations	(2.59)	1.24	10.69	23.72
	Less : Inter segment revenue	0.03	0.01	0.01	0.05
	Total revenue from continuing operations	599.91	772.43	622.96	2,776.31
2	Segment results: Profit(+)/ loss(-) (before tax and interest from each segment):				
	a) Consumer appliances business	(1.56)	(11.00)	(2.77)	(29.78)
	b) Retail business (discontinued operations refer note 3)	(0.31)	(20.03)	(3.37)	(29.39)
	c) Building products	26.46	64.77	47.01	214.43
	d) Others	(0.03)	(0.04)	(0.03)	(0.15)
	Total Profit/(loss) before unallocable expenditure	24.56	33.70	40.84	155.11
	Less : Finance costs	23.93	24.29	21.84	92.63
	Less: Result of discontinued operations	(0.31)	(20.03)	(3.37)	(29.39)
	Less: Other unallocable expenditure net of unallocable income	0.23	0.64	1.60	3.27
	Total profit before tax from continuing operations	0.71	28.80	20.77	88.60
3	Segment assets				
	a) Consumer appliances business	378.77	418.85	392.19	418.85
	b) Retail business (discontinued operations refer note 3)	7.47	11.55	49.53	11.55
	c) Building products	1,915.00	1,925.23	1,757.02	1,925.23
	d) Others	0.35	0.37	0.45	0.37
	e) Unallocated	95.30	64.31	72.66	64.31
	Total	2,396.89	2,420.31	2,271.85	2,420.31
	Segment liabilities				
	a) Consumer appliances business	279.21	273.07	276.81	273.07
	b) Retail business (discontinued operations refer note 3)	29.01	50.57	28.55	50.57
	c) Building products	1,484.67	1,488.87	1,381.11	1,488.87
	d) Others	0.09	0.08	0.05	0.08
	e) Unallocated	1.15	1.03	2.03	1.03
	Total	1,794.13	1,813.62	1,688.55	1,813.62

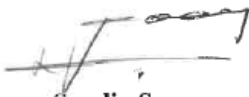


Notes:

1. The above unaudited consolidated and standalone financial results of the company for the quarter ended 30th June 2024 have been reviewed by Audit Committee and approved by the Board of Directors at their respective meetings held on 09th August 2024.
2. The Other income for the quarter ended 30th June 2023 on standalone basis, includes dividend received by the Company from Hindware Limited amounting to ₹29.40 crore (Current quarter Nil). Hence the other income for the quarter ended 30th June 2023 is not comparable with the current quarter.
3. The Board in its meeting held on 28th May 2024 had decided to discontinue operations of the Retail Business (of furniture & furnishing business carried out by the Company and it's Subsidiary Company Evok Homes Private Limited under brand EVOK) and also approved the sale/liquidation of various assets relating to the Retail Business which is under process. Accordingly, corresponding previous period figures are not comparable with the current quarter 30th June 2024.
4. Figures for the quarter ended 31st March 2024 represents balancing figures between audited figures for full financial year and published unaudited year to date figures up to the third quarter 31st December 2023.
5. The statutory auditors of the Company has carried out a limited review of the above unaudited results.
6. The previous quarter/period/year figures have been rearranged/regrouped, wherever considered necessary.

Place: Gurugram
Date: 09th August, 2024




Sandip Somany
Chairman and Non-Executive Director

OTHER FINANCIAL INFORMATION

Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Indian Accounting Standards, i.e., Ind AS – Related Party Disclosures, entered into by our Company for Fiscal 2024 and Fiscal 2023, see “*Financial Statements – Note 42: Related Party Transaction*” on page 144.

STATEMENT OF ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results included in the section entitled “*Financial Statements*” beginning on page 103 of this Draft Letter of Offer:

Particulars	Based on Audited Consolidated Financial Statements		Based on Unaudited Consolidated Financial Statements ¹	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the quarter ended June 30, 2024	For the quarter ended June 30, 2023
Basic Earnings Per Share (EPS) (in ₹)	3.56	7.96	(0.55) ²	0.09 ²
Diluted EPS (in ₹)	3.56	7.96	(0.55) ²	0.09 ²
EBITDA (₹ in lakh)	23,771.93	24,545.81	4,280.95	6,007.86

¹ The Consolidated amounts are as per Unaudited Consolidated Financial Information for the quarters ended June 30 of respective years.

² Non-annualised

Particulars	Based on Audited Consolidated Financial Statements	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Return on Net Worth (in %)	4.31	9.92
Net Asset Value per Equity Share (in ₹)	82.69	79.64

The formulas used in the computation of the above ratios are as follows:

- Basic EPS (₹):** Net Profit after Tax as per consolidated Statement of Profit and Loss for the year attributable to Equity Shareholders of the Company divided by weighted average number of Equity Shares outstanding during the year.
- Diluted EPS (₹):** Net Profit after tax as per consolidated Statement of Profit and Loss for the year attributable to Equity Shareholders divided by weighted average number of Equity Shares outstanding during the year as adjusted for effects of dilutive equity shares.
- EBITDA (₹ in lakh):** Profit for the year before share from joint venture, finance costs, tax, depreciation, amortisation, exceptional items and other income as presented in the consolidated statement of profit and loss in the Financial Statements.
- Return on Net Worth (%):** Net Profit for the Year (attributable to the Equity Shareholders) divided by Net worth at the end of the year on consolidated basis multiplied by 100.
- Net Asset Value Per Share (₹):** Net worth at the end of the year on consolidated basis divided by total number of equity shares outstanding at the end of the year.

Calculation of Return of Net Worth

(Amount ₹ in Lakhs, unless otherwise specified)

Particulars	Based on Audited Consolidated Financial Statements	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Net profit/(loss) (A) ¹	2,578.06	5,709.01
Equity Share capital (B)	1,445.93	1,445.93
Other equity (including items of other comprehensive income) (C)	58,337.13	56,128.37
Net Worth (D) = (B+C)	59,783.06	57,574.30
Return on Net Worth (A/D) * 100 (%)	4.31	9.92

¹ Excluding share of profit/(loss) attributable to Non-Controlling Interest

Calculation of Net Asset Value per Equity Share

(Amount ₹ in Lakhs, unless otherwise specified)

Particulars	Based on Audited Consolidated Financial Statements	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Net asset value ¹	59,783.06	57,574.30
No. of Equity shares outstanding	7,22,96,395	7,22,96,395
Net Asset Value per Equity Share (₹)	82.69	79.64

¹ Net-worth

Calculation of EBIDTA

(Amount ₹ in Lakhs)

Particulars	Based on Audited Consolidated Financial Statements		Based on Unaudited Consolidated Financial Statements ¹	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the quarter ended June 30, 2024**	For the quarter ended June 30, 2023
Profit/(loss) before exceptional items and tax*	5,674.28	10,298.51	(9.63)	1,674.50
Less: Other Income	3,716.16	3,560.76	1,255.97	835.57
Add: Interest/ Finance Cost	9,509.71	7,710.44	2,442.99	2,248.93
Add: Depreciation	12,304.10	10,097.62	3,103.56	2,920.00
EBITDA	23,771.93	24,545.81	4,280.95	6,007.86

¹ The Consolidated amounts are as per Unaudited Consolidated Financial Information for the quarters ended June 30 of respective years.

*Before share in profit/ (loss) of Joint Venture.

**Including discontinued operations (Retail Business Segment)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Financial Statements beginning on page no. 103 of this Draft Letter of Offer. Some of the information contained in the following discussion and analysis, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read the section titled “Risk Factors” on page 22, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to the financial statements of our Company.

Our financial statements included in this Draft Letter of Offer are prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, (i) the financial information for Financial Year, 2024 and Financial Year, 2023 included herein is based on the Audited Financial Statements and (ii) Unaudited Financial Results of our Company for the period ended June 30, 2024 and June 30, 2023 included in this Draft Letter of Offer.

This discussion contains forward-looking statement and reflects our current plans and expectations. Actual results may differ materially from those anticipated in these forward-looking statements. By their nature certain risk disclosures are only estimates and could be materially different from those that have been estimated. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections titled “Risk Factors”, “Forward-Looking Statements” and “Our Business” on pages 22, 18 and 81 respectively. The Financial figures for FY 2023-24 and FY 2022-23 provided in this Chapter are based on Audited Consolidated Financial Statements while for period ending June 30th, 2023 and June 30th, 2024 are based on Limited Review Consolidated Financial Statements as given in the section titled “Financial Statements” on Page 103 of this Draft Letter of Offer.

Business Overview:

We are a prominent player in the building products and consumer appliances sector in India. We are engaged in manufacturing, marketing, and distribution of a diverse portfolio of products, serving both residential and commercial segments. Our operations are structured across two primary business segments:

- 1. Consumer Appliances Business (CAB):** Under the Consumer Appliances business, we offer an extensive range of products to enhance modern living, including kitchen and home appliances under brand ‘Hindware Smart Appliances’. Through our partnership with Formenti & Giovenzana, we elevate living spaces with premium kitchen and furniture fittings, ensuring quality and sophistication in every detail.
- 2. Building Products:** Our Building Products business offers a wide range of products, including sanitaryware, faucets, premium tiles, and plastic pipes and fittings, serving diverse needs in India's construction and infrastructure sector.
- 3. Water Heater and Room Heater:** Through our joint venture, Hintastica Private Limited (“HPL”), we are involved in the manufacturing and selling of water heaters and trading of room heaters under the brand name ‘Hindware Atlantic’. These products are supplied to cater to both residential and commercial needs, and our collaboration with our Joint Venture Partner strengthens our presence in the market by offering reliable and energy-efficient heating solutions. This partnership enables us to deliver high-quality products, broadening our portfolio in the consumer appliances sector.

Discontinued Operations:

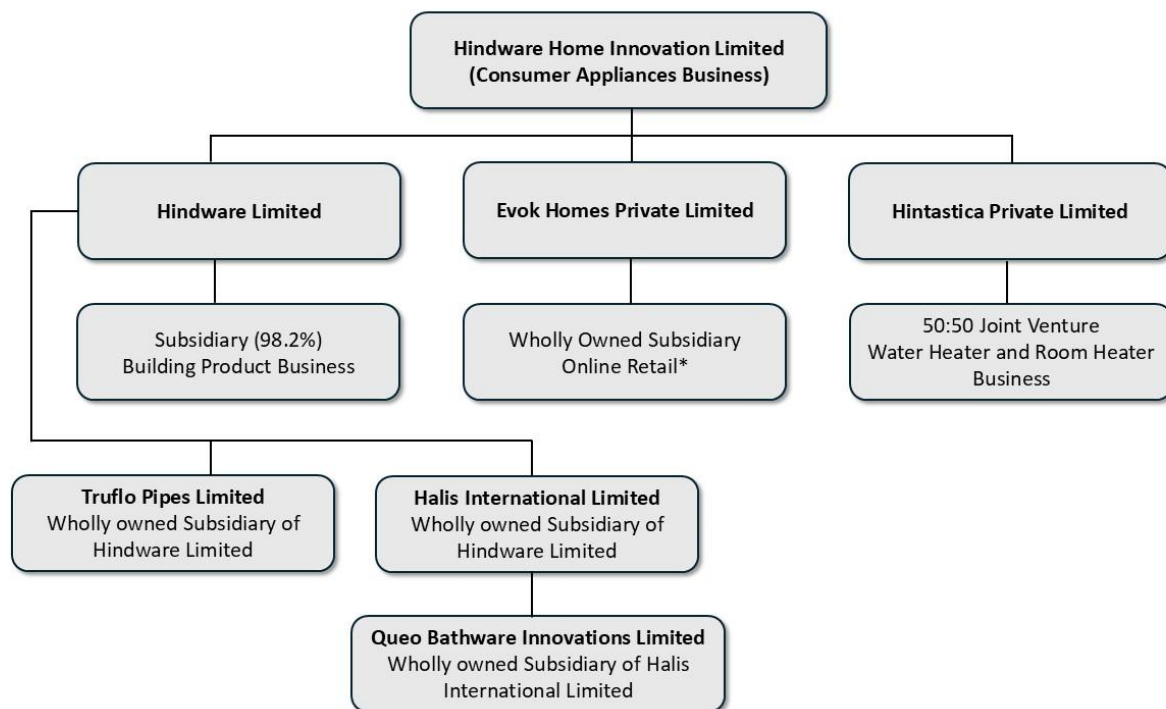
Retail Business: The Retail Business of the Company constituted of furniture & furnishing retail done through subset of physical stores as well as franchise stores across India and online retail through website www.evok.in. The online business was carried through subsidiary of the Company, EVOK Homes Private Limited (the “EHPL”) (formerly known as Hindware Home Retail Private Limited). Being in highly competitive market especially after emergence of many online furniture stores, the business sales growth and profitability remained under pressure. Therefore, the Board of Directors of our Company at its meeting held on May 28, 2024 approved to discontinue the further operation of the Retail Division of the Company. The Board had also approved the sale/liquidation of various assets relating to the said division.

Current Scenario:

We are dedicated to reimagining comfort and convenience for customers. As a prominent player in Building Products and

Consumer Appliances, we embody trust and excellence. Our diverse portfolio, characterised by quality, functionality, and aesthetic appeal, is a testament to our commitment to innovation and customer satisfaction.

The current business structure is as follows –



* The retail business has been discontinued effective from May 28, 2024. The “Retail Business” of the company constitutes of furniture & furnishing retail done through subset of physical stores as well as franchise stores across India and online retail through website “evok.in”. The online business was carried through wholly owned subsidiary of the Company, EVOK Homes Private Limited (the “EHPL”), is in process of being discontinued.

Our Products

BATHWARE BUSINESS	PLASTIC PIPES AND FITTINGS	CONSUMER APPLIANCES
<ul style="list-style-type: none"> ◆ Sanitaryware ◆ Faucets ◆ Tiles ◆ Wellness ◆ Allied Products 	<ul style="list-style-type: none"> ◆ CPVC, UPVC, PVC, SWR and Column Pipes ◆ Multi-layer Composite Pipes ◆ Overhead Water Storage Tank ◆ Bath Fittings 	<ul style="list-style-type: none"> ◆ Kitchen Appliances ◆ Air Coolers ◆ Fans ◆ Kitchen and Furniture Fittings

Key Differentiators



Certain factors affecting our results of operations:

The following is a discussion of certain factors that may have, a significant effect on our operations:

Strategic Risks:

- **Economic uncertainties:** Slowdown of the Indian economy can lead to a demand decline for our products
- **High volatility in real estate industry:** Slowdown in the growth of real estate in the nation could affect sales and revenue
- **Rising competition:** Increase in competition can lead to lowering of sales and market share
- **Entry of multinational players:** Entry of global players with a wide reach into the market can disrupt the sectoral equilibrium
- **Inability to gauge preferences:** In a dynamic market environment, where preferences evolve fast, inability to judge customer's preferences can dent market share

Business Risk:

- **Unorganized sector:** Low-priced products from players in the unorganized sector can erode our market share
- **Lack of innovation:** Inability to remain relevant in the market through the identification of current trends and roll out innovations
- **Lack of prominence:** Poor marketing and distribution can hinder sales and growth
- **Quality of team:** Low employee competencies and inadequate experience could affect our growth
- **Working capital management:** Inability to meet short-term liquidity requirements can affect growth and profitability
- **Rapid product turnover:** Fast product turnover burdens the inventory excessively
- **Dependence on few suppliers:** We outsource manufacturing of our products to third parties, and any failure by

such third parties to meet our standards or perform their obligations may adversely affect our business.

Operational Risk:

- **Quality issues:** Lowering or variation in product quality can affect sales and cause customer attrition
- **Credit standing:** Inadequate funds may impact the daily operations of the Company
- **Rising costs structure:** Inability to achieve higher cost efficiency may affect profitability

Other Factors:

- Political stability of the country
- Government policies relating to our businesses
- Investment flow in the country from the other countries
- Company's ability to successfully implement growth strategy
- Compliance with regulations prescribed by authorities of the jurisdictions in which we operate

Significant Accounting Policies:

For details of Significant Accounting Policies, please refer to Chapter on "**Financial Statements**" on Page 103 of this Draft Letter of Offer.

Significant developments subsequent to the last audited period:

In the opinion of the Board of Directors of our Company, since the date of the last audited period i.e., March 31, 2024 as disclosed in this Draft Letter of Offer, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:

1. Mr. Naveen Malik, Chief Financial Officer (CFO) of the Company was also designated as Chief Executive Officer (CEO) of the Company w.e.f. May 28, 2024 vide the approval of the Board of Directors at its meeting held on May 28, 2024. Pursuant to this, Mr. Naveen Malik holds the office of CEO and CFO.
2. Pursuant to the approval of the Board of Directors and members dated May 28, 2024 and July 04, 2024 respectively, Authorised Share Capital of the Company was increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) comprising of 7,50,00,000 Equity Shares of Rs. 2/- each to Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 15,00,00,000 Equity Shares of Rs. 2/- each.
3. The Board of Directors of the Company recommended a dividend of 20% i.e., 0.40 paise per equity share of face value of ₹ 2 each, for the Financial Year ended March 31, 2024 in their Board Meeting held on May 28, 2024.

The same was approved by the shareholders of the Company at its 7th AGM held on August 28, 2024.

4. The Board of Directors vide its resolution dated May 28, 2024 approved to discontinue further operation of the Retail Business of furniture and furnishings with an immediate effect. The Board has also approved the sale/liquidation of various assets relating to the Retail Division.
5. The Board of Directors approved the issuance of equity shares of the Company for an amount upto ₹ 20,500 Lakhs by way of Rights Issue in their Board Meeting held on August 09, 2024. Furthermore, the Board on September 02, 2024 superseded its resolution dated August 09, 2024 and approved the issuance of equity shares of the Company for an amount upto ₹ 25,000 Lakhs by way of Rights Issue.
6. The Board of Directors approved the standalone and consolidated unaudited financial results for the quarter ended June 30, 2024 vide Board Resolution dated May 28, 2024.
7. The Board of Directors recommended re-appointment of Mr. Nand Gopal Khaitan (DIN: 00020588), Mr. Ashok Jaipuria (DIN: 00214707), and Mr. Salil Kumar Bhandari (DIN: 00017566) as Independent Directors of the Company for a second term of 5 (five) consecutive years w.e.f., September 14, 2024 in their Board Meeting held on May 28, 2024.

The same were approved by the shareholders of the Company on July 04, 2024 by way of postal ballot.

8. The Central Consumer Protection Authority (“CCPA”) has issued an order dated July 08, 2024, under Section 21 of the Consumer Protection Act, 2019 against the Company, imposing a penalty of ₹1,00,000 (Rupees One Lakh only) for violation of provisions of the Consumer Protection Act, 2019 read with Consumer Protection (E-Commerce) Rules, 2020.
9. The Company has received a Demand Order dated August 26, 2024 under Section 73 of the Goods and Services Tax Act, 2017 from the Deputy Commissioner of State tax, Bhiwandi-503, Raigad, Maharashtra, to pay confirmed tax demand ₹ 1,00,43,587 (including interest and penalty).
10. Hindware Limited (subsidiary) has received a Demand Order dated August 28, 2024 on August 29, 2024 under Section 73 of the Goods and Services Tax Act, 2017 from the State Tax Officer, Ghatak Ahmedabad to pay confirmed tax demand ₹ 1,71,892 (including interest and penalty).
11. Hindware Limited (subsidiary) has received a Demand Order dated August 30, 2024 on August 31, 2024 under Section 73 of the Goods and Services Tax Act, 2017 from the Superintendent, Central Tax, Bhongir, Telangana, to pay confirmed tax demand ₹ 3,69,504 (including demand and penalty).
12. The Company has received a Demand Order dated August 31, 2024 received on August 31, 2024 under Section 73 of the Goods and Services Tax Act, 2017 from the Excise & Taxation Officer-cum-state Tax officer, Mohali, Punjab to pay confirmed Tax Demand ₹ 44,20,712 (including interest and penalty).

Results of Operations

Our Consolidated Statement of Profit and Loss of the Company for the financial year ended 31 March, 2024 and year ended 31 March, 2023, and the components of which are also expressed in absolute terms and as a percentage of total income for such years, are as under:

<i>₹ in Lakhs</i>				
Particulars	Year ended 31 March 2024	% of Total Income	Year ended 31 March 2023	% of Total Income
Income				
Revenue from operations	2,80,003.20	98.69%	2,87,228.97	98.78%
Other income	3,716.16	1.31%	3,560.76	1.22%
Total income	2,83,719.36	100.00%	2,90,789.73	100.00%
Expenses				
Cost of materials consumed	62,763.58	22.12%	75,470.34	25.95%
Purchases of stock-in-trade	85,921.52	30.28%	92,606.11	31.85%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	4,296.38	1.51%	(4,335.24)	(1.49)%
Employee benefits expense	43,049.50	15.17%	40,234.06	13.84%
Finance costs	9,509.71	3.35%	7,710.44	2.65%
Depreciation and amortisation expense	12,304.10	4.34%	10,097.62	3.47%
Other expenses	60,200.29	21.23%	58,707.89	20.19%
Total expenses	2,78,045.08	98.00%	2,80,491.22	96.46%
Profit before exceptional items and tax	5,674.28	2.00%	10,298.51	3.54%
Exceptional items	-	0.00%	-	0.00%
Profit before tax	5,674.28	2.00%	10,298.51	3.54%
Tax expense				
(i) Current tax (including MAT)	3,583.48	1.26%	3,412.90	1.17%
(ii) MAT Credit (Entitlement)/ adjustment	367.58	0.13%	(367.58)	(0.13)%
(iii) Earlier year income tax	282.72	0.10%	7.76	0.00%
(iv) Deferred tax	(2,235.17)	(0.79)%	599.43	0.21%
Total tax expense	1,998.61	0.70%	3,652.51	1.26%
Profit after tax	3,675.67	1.30%	6,646.00	2.29%
Profit/(loss) from Joint venture	(911.95)	(0.32)%	(890.79)	(0.31)%
Profit for the year	2,763.72	0.97%	5,755.21	1.98%
Other comprehensive income				
(i) Items that will not be reclassified to profit or loss				

Particulars	Year ended 31 March 2024	% of Total Income	Year ended 31 March 2023	% of Total Income
(a) Remeasurements of the defined benefit plan	(9.43)	(0.00)%	(135.33)	(0.05)%
(b) Income-tax relating to these items	0.29	0.00%	34.90	0.01%
(ii) Items that will be reclassified to profit or loss				
Exchange difference on translation of foreign operations	(0.04)	(0.00)%	(1.06)	(0.00)%
(iii) Share in other comprehensive income of associates (net of tax)	0.94	0.00%	3.09	0.00%
Other comprehensive income, net of tax	(8.24)	(0.00)%	(98.40)	(0.03)%
Total comprehensive income for the year	2,755.48	0.97%	5,656.81	1.95%

Discussion on our Results of Operations:

On a consolidated basis, revenue from operations for FY 2023-24 was ₹ 2,80,003.20 lakh as compared to ₹ 2,87,228.97 lakh in FY 2022-23. Earnings before interest, tax, depreciation and amortization (“EBITDA”) was ₹ 27,488.09 lakh as compared to EBITDA of ₹ 28,106.57 lakh in FY 2022-23. Profit for the FY 2023-24 was ₹ 2,763.72 lakh as compared to ₹ 5,755.21 lakh in FY 2022-23. The primary reasons for the changes are discussed below:

Total Income

We had total income of ₹ 2,83,719.36 lakh and ₹ 2,90,789.73 lakh for FY 2023-24 and FY 2022-23 respectively, which comprised of Revenue from Operations and other income.

Revenue from Operations: Our Revenue from Operations for FY 2023-24 totaled ₹ 2,80,003.20 lakh as compared to ₹ 2,87,228.97 lakh in FY 2022-23 which included Income from Sale of Goods of ₹ 2,73,983.02 lakh in FY 2023-24 as compared to ₹ 2,79,855.53 lakh in FY 2022-23, Revenue from rendering of services of ₹ 98.40 lakh in FY 2023-24 as compared to ₹ 184.63 lakh in FY 2022-23 and other operating revenues contributed ₹ 5,921.78 lakh in FY 2023-24 as compared to ₹ 7,188.81 lakh in FY 2022-23. The decline was on account of overall slowdown in consumer market which has also affected sales of the Company.

Other Income: Our aggregate other income was ₹ 3,716.16 lakh for FY 2023-24 as compared to ₹ 3,560.76 lakh in FY 2022-23 including Management Fee of ₹ 2,956.50 lakh in FY 2023-24 as compared to ₹ 2,827.92 lakh in FY 2022-23 and other income (except Management Fee) of ₹ 759.66 lakh in FY 2023-24 as compared to ₹ 732.84 lakh in FY 2022-23.

Total Expense:

Our Total Expense for FY 2023-24 and FY 2022-23 was ₹ 2,78,045.08 lakh and ₹ 2,80,491.22 lakh respectively which primarily comprised of the following expenses:

Cost of material consumed: Our expenses related to cost of material consumed was ₹ 62,763.58 lakh and ₹ 75,470.34 lakh for FY 2023-24 and FY 2022-23 respectively. The cost of materials consumed is directly proportionate to the operations of our Company, therefore due to decrease in our operations as compared to previous FY there is also a decrease in the cost of materials. It constitutes cost of raw materials consumed which is directly linked to the sales of Finished Products.

Purchase of stock in trade: Our expenses related to Purchase of stock in trade was ₹ 85,921.52 lakh and ₹ 92,606.11 lakh for FY 2023-24 and FY 2022-23 respectively. It constitutes purchase of trading products which is directly related to sales of trading products.

Changes in inventories of finished goods, stock-in-trade and work-in-progress: It stood at ₹ 4,296.38 lakh and ₹ (4,335.24) lakh for FY 2023-24 and FY 2022-23 respectively.

Employee Benefit Expenses: Employee Benefit Expenses was ₹ 43,049.50 lakh in FY 2023-24 as compared to ₹ 40,234.06 lakh in FY 2022-23 which included Salaries, wages, bonuses, staff welfare expenses and Contribution to provident funds and other funds. The increase was primarily due to annual increments of employees’ salaries.

Finance Cost: Our Finance Cost were ₹ 9,509.71 lakh and ₹ 7,710.44 lakh for FY 2023-24 and FY 2022-23 respectively.

Depreciation and Amortization Expense: Depreciation and Amortization expense was ₹ 12,304.10 lakh for FY 2023-24 as compared to ₹ 10,097.62 lakh in FY 2022-23.

Other expenses: Our other expenses were ₹ 60,200.29 lakh for FY 2023-24 as compared to ₹ 58,707.89 lakh in FY 2022-23 including expenses related to Power and fuel of ₹ 9,250.42 lakh in FY 2023-24 as compared to ₹ 11,032.74 lakh in FY 2022-23, Consumption of stores and spares of ₹ 1,738.34 lakh in FY 2023-24 as compared to ₹ 1,902.72 lakh in FY 2022-23, Consumption of packing material of ₹ 3,356.80 lakh in FY 2023-24 as compared to ₹ 4,152.33 lakh in FY 2022-23, Travelling and Conveyance of ₹ 5,545.27 lakh in FY 2023-24 as compared to ₹ 4,901.18 lakh in FY 2022-23, Advertisement and Publicity of ₹ 11,667.37 lakh in FY 2023-24 as compared to ₹ 10,411.88 lakh in FY 2022-23, Transportation and forwarding of ₹ 12,793.41 lakh in FY 2023-24 as compared to ₹ 12,243.01 lakh in FY 2022-23 and other miscellaneous expenses.

The increase in expenses is primarily due to inflationary factors. In addition, the company has taken steps to promote brand and has increased its spend on marketing by approaching consumer audience including sponsorship of IPL 2023-24, World cup and Asia Cup. The campaign reached viewers through Direct-to-home (DTH) and Connected Television (CTV) platforms, as Hindware's 'Super Fours L Bands' were featured during 50 overs of 48 matches throughout the World Cup.

Other income and miscellaneous expenditure

Our other income includes Management Fees, Interest income on financial assets, Rental income, Profit on sale of property, plant and equipment, gain on foreign exchange fluctuations etc.

Our miscellaneous expenditure included Office Maintenance expense, Auditor Remuneration and Expense, Postage and Courier, Printing and Stationery, Telephone expenses, Recruitment expenses, Electricity expenses, Gardening Expenses, Market Testing and Samples, Water Charges, Purchase/Sales tax paid, Bank Charges, filing fees, Listing fees, General Charges, Telephone reimbursement and other adjustments etc.

Profit before Tax:

We had Profit before Tax of ₹ 5,674.28 lakh for FY 2023-24 as compared to ₹ 10,298.51 lakh in FY 2022-23. Due to overall slowdown in consumer market which has also affected our sales, we have also witnessed a decline in the profits. This also includes losses from the Retail Segment which has EBIT loss of ₹(2,939.39) lakh for FY 2023-24 as compared to the previous year's EBIT loss of ₹(163.70)lakh FY 2022-23. The Company had decided to discontinue further operations of the "Retail Business" of the Company w.e.f. May 28, 2024.

Tax Expense:

Our Total tax expense for FY 2023-24 was ₹ 1,998.61 lakh as compared to ₹ 3,652.51 lakh in FY 2022-23

Profit After Tax:

Our Company had Profit after Tax of ₹ 3,675.67 lakh for FY 2023-24 as compared to ₹ 6,646.00 lakh in FY 2022-23

Profit/(loss) from Joint Venture:

Our share of loss from Joint venture for FY 2023-24 was ₹ (911.95) lakh as compared to ₹ (890.79) lakh in FY 2022-23

Profit for the Year:

Our Net Profit was ₹ 2,763.72 lakh for FY 2023-24 as compared to ₹ 5,755.21 lakh in FY 2022-23.

Earnings per equity Share:

Our Company had Basic and Diluted EPS of ₹ 3.56 and ₹ 7.96 for FY 2023-24 and FY 2022-23 respectively.

Results of Operations

Consolidated Statement of Profit and Loss of the Company for the financial period ended 30 June 2024 and period ended 30 June 2023, are as under:

Particulars	<i>₹ in Lakhs</i>	
	Quarter ended June 30, 2024	Quarter ended June 30, 2023
Continuing Operations		
Income		
Revenue from operations	59,991.25	62,295.48
Other income	1,236.12	833.92
Total income	61,227.37	63,129.40
Expenses		
Cost of materials consumed	16,910.78	15,327.65
Purchases of stock-in-trade	17,593.50	18,610.23
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(2,720.59)	(822.98)
Employee benefits expense	10,789.19	10,446.33
Finance costs	2,393.06	2,183.51
Depreciation and amortisation expense	3,072.54	2,826.12
Other expenses	13,117.55	12,481.79
Total expenses	61,156.03	61,052.65
Profit before exceptional items and tax	71.34	2,076.75
Exceptional items	-	-
Profit before tax from continued operations	71.34	2,076.75
Tax expense		
(i) Current tax (including MAT)	234.76	1,816.45
(ii) Deferred tax	(213.85)	(303.44)
Total tax expense	20.91	1,513.01
Profit after tax	50.43	563.74
Profit/(loss) from Joint venture	(389.54)	(220.12)
Profit for the year from continuing operations	(339.11)	343.62
Discontinued Operations		
Profit before tax from discontinued operations	(80.96)	(402.23)
Tax expenses of discontinued operations	(28.80)	(125.23)
Profit for the year from discontinued operations	(52.16)	(277.00)
Profit for the year	(391.27)	66.62
Other comprehensive income		
Continuing Operations		
(i) Items that will not be reclassified to profit or loss		
(a) Remeasurements of the defined benefit plan	(3.06)	(20.24)
(b) Income-tax relating to these items	0.32	5.02
(ii) Items that will be reclassified to profit or loss		
Exchange difference on translation of foreign operations	(0.01)	(0.05)
(iii) Share in other comprehensive income of associates (net of tax)	0.24	0.77
Other comprehensive income, net of tax from Continuing operations	(2.51)	(14.50)
Discontinued Operations		
(i) Items that will not be reclassified to profit or loss		
(a) Remeasurements of the defined benefit plan	0.72	(0.28)
(b) Income-tax relating to these items	(0.25)	0.10
Other comprehensive income, net of tax from Discontinued operations	0.47	(0.18)
Total comprehensive income for the year	(393.31)	51.94

Note:

The Board of Directors in its meeting held on May 28, 2024 had decided to discontinue operations of the Retail Business of furniture & furnishing business carried out by the Company and its Subsidiary Company Evok Homes Private Limited under brand EVOK.

Discussion on our Results of Operations:

On a consolidated basis, revenue from operations for period ended June 30, 2024 was ₹ 59,991.25 lakh as compared to ₹ 62,295.48 lakh for period ended June 30, 2023. Earnings before interest, tax, depreciation and amortization (“EBITDA”) was ₹ 5,536.94 lakh for period ended June 30, 2024 as compared to EBITDA of ₹ 7,086.38 lakh in for period ended June 30, 2023. Loss for period ended June 30, 2024 was ₹ (391.27) lakh as compared to Profit of ₹ 66.62 lakh for period ended June 30, 2023. The primary reasons for the changes are discussed below:

Total Income

We had total income of ₹ 61,227.37 lakh and ₹ 63,129.40 lakh for period ended June 30, 2024 and June 30, 2023 respectively, which comprised of Revenue from Operations and other income.

Revenue from Operations: Our Revenue from Operations for period ended June 30, 2024 totaled ₹ 59,991.25 lakh as compared to ₹ 62,295.48 lakh for period ended June 30, 2023. The decline was on account of overall slowdown in consumer market which has also affected sales of the Company.

Other Income: Our aggregate other income was ₹ 1,236.12 lakh for period ended June 30, 2024 as compared to ₹ 833.92 lakh for period ended June 30, 2023

Total Expense:

Our Total Expense for period ended June 30, 2024 totaled ₹ 61,156.03 lakh as compared to ₹ 61,052.65 lakh for period ended June 30, 2023 respectively which primarily comprised of the following expenses:

Cost of material consumed: Our expenses related to cost of material consumed was ₹ 16,910.78 lakh and ₹ 15,327.65 lakh for period ended June 30, 2024 and June 30, 2023 respectively.

Purchase of stock in trade: Our expenses related to Purchase of stock in trade was ₹ 17,593.50 lakh and ₹ 18,610.23 lakh for period ended June 30, 2024 and June 30, 2023 respectively.

Changes in inventories of finished goods, stock-in-trade and work-in-progress: It stood at ₹ (2,720.59) lakh and ₹ (822.98) lakh for period ended June 30, 2024 and June 30, 2023 respectively.

Employee Benefit Expenses: Employee Benefit Expenses was ₹ 10,789.19 lakh for period ended June 30, 2024 as compared to ₹ 10,446.33 lakh for period ended June 30, 2023 which included Salaries, wages, bonuses, staff welfare expenses and Contribution to provident funds and other funds. The increase was primarily due to annual increments of employees' salaries.

Finance Cost: Our Finance Cost were ₹ 2,393.06 lakh and ₹ 2,183.51 lakh for period ended June 30, 2024 and June 30, 2023 respectively.

Depreciation and Amortization Expense: Depreciation and Amortization expense was ₹ 3,072.54 lakh and ₹ 2,826.12 lakh for period ended June 30, 2024 and June 30, 2023 respectively.

Other expenses: Our other expenses were ₹ 13,117.55 lakh and ₹ 12,481.79 lakh for period ended June 30, 2024 and June 30, 2023 respectively. The increase in expenses is primarily due to inflationary factors.

Other income and miscellaneous expenditure

Our other income includes Management Fees, Interest income on financial assets, Rental income, Profit on sale of property, plant and equipment, gain on foreign exchange fluctuations etc.

Our miscellaneous expenditure included Office Maintenance expense, Auditor Remuneration and Expense, Postage and Courier, Printing and Stationery, Telephone expenses, Recruitment expenses, Electricity expenses, Gardening Expenses, Market Testing and Samples, Water Charges, Purchase/Sales tax paid, Bank Charges, filing fees, Listing fees, General Charges, Telephone reimbursement and other adjustments etc.

Profit before Tax:

Our Company had Profit before Tax of ₹ 71.34 lakh for period ended June 30, 2024 as compared to ₹ 2,076.75 lakh for the period ended June 30, 2023. Due to overall slowdown in consumer market which has also affected sales of the Company, the company has also witnessed a decline in the profits.

Tax Expense:

Our Total tax expense was ₹ 20.91 lakh and ₹ 1,513.01 lakh for period ended June 30, 2024 and June 30, 2023 respectively.

Profit/(loss) from Joint Venture:

Our share of loss from Joint venture was ₹ (389.54) lakh as compared to ₹ (220.12) lakh for period ended June 30, 2024 and June 30, 2023 respectively.

Profit for the Year:

Our Net Profit was ₹ (391.27) lakh as compared to ₹ 66.62 lakh for period ended June 30, 2024 and June 30, 2023 respectively.

Cash flows

The table below summarizes our cash flows from our Consolidated Financial Statement for financial year ended 31 March 2024 and Consolidated Financial Statements for year ended 31 March 2023:

Particulars	₹ in lakh	
	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities		
Profit before tax	4,762.33	9,407.72
Adjustments for:		
Finance costs	9,509.71	7,710.44
Interest income	(53.02)	(55.94)
Gain on disposal of property, plant and equipment	(22.67)	(25.19)
Loss on disposal of property, plant and equipment	2.26	7.59
Net loss/(gain) arising on current investments	-	(1.30)
Sundry balances and liabilities no longer required, written back	(3,263.39)	(4,554.06)
Provision for expected credit loss	2,049.32	1,266.21
Provision for doubtful advances/debts	214.52	83.45
Bad debts written off	0.92	-
Depreciation and amortisation expenses	12,304.10	10,097.62
Lease concession / liability written back	(154.55)	(45.58)
Share of (profit) / loss of joint venture	911.95	890.79
Net foreign exchange loss/(gain)	12.80	(105.30)
Assets Written off	52.58	-
	26,326.86	24,676.45
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(9,676.34)	(8,049.03)
(Increase)/decrease in inventories	9,440.57	(845.71)
(Increase)/decrease in other assets	(1,670.24)	2,289.22
Increase/(decrease) in trade and other liabilities	3,781.35	7,669.26
Increase/(decrease) in provisions	(52.38)	(54.97)
	1,822.96	1,008.77
Cash generated from operations	28,149.82	25,685.22
Income taxes paid	(4,110.86)	(3,995.20)
Income taxes refund	37.70	388.67
Net cash generated by operating activities	24,076.66	22,078.69

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from investing activities:		
Payments to acquire financial assets	(0.20)	-
Proceeds from sale of financial assets	-	2,710.36
Investment in joint venture	(2,499.96)	(899.99)
Interest received	0.87	27.41
Payment against slump sale	(1,215.52)	(52,867.17)
Payments for property, plant and equipment	(18,341.36)	(19,560.13)
Proceeds from disposal of property, plant and equipment	182.74	115.96
Movement in other bank balances	(3.59)	(0.39)
Net cash used in investing activities	(21,877.02)	(70,473.95)
Cash flows from financing activities:		
Proceeds from borrowings	11,956.61	45,690.00
Repayment of borrowings	(8,558.12)	(5,605.23)
Proceeds from issue of shares forming part of non-controlling interests	-	9.00
Movement in short term borrowings (net)	9,103.28	16,760.91
Principal payment of lease liability	(3,116.17)	(2,940.85)
Interest on lease liability	(1,631.94)	(1,826.86)
Dividends paid	(384.89)	0.39
Interest paid	(7,566.21)	(5,418.91)
Net cash used/generated in financing activities	(197.44)	46,668.45
Net increase/(decrease) in cash and cash equivalents:	2,002.20	(1,726.81)
Cash and cash equivalents at the beginning of the year	919.90	2,647.77
Foreign currency translation gain/(loss) on consolidation	0.00	(1.06)
Cash and cash equivalents at the end of the year	2,922.10	919.90

Borrowing

As on 31 March 2024, we had long term borrowings ₹ 33,919.72 lakh and short-term borrowings (including current maturity of long-term borrowings) of ₹ 49,749.85 lakh as compared to long term borrowings of ₹ 32,805.23 lakh and short-term borrowings (including current maturity of long-term borrowings) of ₹ 38,362.57 lakh as on 31 March 2023.

Capital Expenditure

The Company's subsidiary, Hindware Limited, is engaged in the marketing & manufacturing of Sanitaryware, Faucets and Plastic pipes & fittings Whereas, JV company, Hintastica Limited, is engaged in manufacturing of water heater. The new manufacturing plant in Roorkee, Uttarakhand, is primarily for pipes business and is all set for commissioning by end of FY25. This new plant will significantly enhance our capacity to meet the expected requirements of our pipes demand. The Capex is incurred primarily for the same.

Growth Plan

Bathware: To ensure sustained growth, we will analyse our distribution channels to identify untapped market opportunities. We will also expand our product range to meet evolving customer preferences and focus on strengthening our premium offerings.

To build brand awareness and drive sales, we will intensify our marketing efforts, leveraging influencer partnerships with architects, interior designers, and plumbers. Additionally, we will continue to explore growth opportunities within the institutional market segment through a strategic approach.

Plastic Pipes & Fittings: We will adopt a multi-pronged strategy to drive growth and expand our market footprint. This includes scaling up our distribution to new regions, enhancing our product portfolio with higher value-added segments, and leveraging influencer marketing to build brand awareness. Additionally, expanding our Roorkee plant will create new opportunities and strengthen our overall market position.

Consumer Appliances Business: Moving forward, our Company focuses on expanding the kitchen appliances sector and increasing accessibility by opening more kitchen galleries nationwide. We will continue to enhance our product portfolio

to meet evolving consumer needs and reduce reliance on imports across all categories.

Additionally, we remain committed to cost optimization initiatives, ensuring efficient operations and sustainable growth. This strategic approach positions us to uphold our prominent position in the industry and drive innovation.

Our Business Segments on Consolidated basis:

Our Business Segments on a Consolidated basis include Building Products, Consumer Products, Retail Business and others. A breakup of Revenue from Operations from different segments is given below:

(₹ in lakh)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	Period ended 30 June 2024	Period ended 30 June 2023
Building products	2,35,464.45	2,31,514.33	48,940.51	51,802.60
Consumer products	42,171.75	50,085.45	11,053.23	10,494.00
Retail business	2,371.96	5,638.39	(259.04)	1,069.00

Seasonality of our Business

Certain of our products like water heater and air coolers etc. are subject to seasonal variations, primarily due to increased usage patterns of some products or derivatives in the summer and/or winter seasons in India

Related Party Transactions

For details of Related Party Transactions, please refer to Chapter on “*Financial Statements – Note 42: Related Party Transaction*” on Page 144 of this Draft Letter of Offer.

Summary of Changes to Material Accounting Policies

There is no change in Material Accounting Policies of our Company for the Financial Years ended March 31, 2024 and March 31, 2023 and three months ended June 30, 2024 and June 30, 2023.

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. Our Company has, solely for the purpose of this Issue, disclosed in this section, all outstanding matters which involve (i) issues of moral turpitude or criminal liability on the part of our Company and Subsidiaries, including all criminal proceedings filed against our Company or our Subsidiaries; (ii) material violations of statutory regulations by our Company and Subsidiaries; (iii) outstanding matters in relation to material civil or tax litigation; (iv) economic offences where proceedings have been initiated against our Company and Subsidiaries; and (v) any outstanding matter which has been considered material and reported to the Stock Exchanges in accordance with the LODR Materiality Policy (as defined hereafter).

All outstanding civil and tax proceedings involving our Company and our Subsidiaries and all outstanding proceedings in relation to violation of statutory regulations by our Company and our Subsidiaries, where the amount involved in such proceedings is equivalent to or in excess of 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of our Company, which is determined to be ₹ 4.78 crores, adopted by the Rights Issue Committee through its resolution dated September 03, 2024 (“**Materiality Threshold**”), in conformity with the ‘Policy for Determination of Materiality of Events’ (“**LODR Materiality Policy**”) framed in accordance with Regulation 30 of the SEBI LODR Regulations and adopted by our Board, have been disclosed in this section. Additionally, all outstanding matters involving our Company or Subsidiaries, where the amount involved, either does not meet the Materiality Threshold or is unquantifiable, but which are material in the opinion of our Board or where an adverse outcome may result in material or adverse impact on the operations or financial position of our Company or Subsidiaries, have been disclosed in this section.

Pre-litigation notices received by our Company and Subsidiaries from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time as our Company and our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.

A. LITIGATIONS INVOLVING THE COMPANY

1. AGAINST THE COMPANY

(a) Pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of the issuer.

The litigations involving the Company that fall below the Materiality Threshold, as defined by the Company’s LODR Materiality Policy, have not been disclosed in detail within this Draft Letter of Offer. It is acknowledged that an adverse outcome in these matters, when considered individually, would not materially or adversely impact the operations or financial position of the Company. For the sake of brevity, a comprehensive list of all ongoing cases, excluding Criminal Cases, is provided below:

Consumer Complaint Case against the Company:

Sl. No.	Case No.	Complainant/ Plaintiff	Amount (in ₹)	Court Complex
1.	CC/266/2020	Nimish Fojmal Bhandari	8,27,499	CDRF, Nashik
2.	CC/83/2023	Sofiya Sales	6,45,398	DCDRC Balasore
3.	CC/211/2022	Vandana Gupta	4,62,318	DCDRF, Agra
4.	CC/165/2024	Sonia Gill	4,43,000	DCDRC Jaipur 2
5.	CC/394/2023	Anant Traders	4,30,000	Hamirpur, Himachal Pradesh
6.	CC/42/2024	Dhiraj Kumar	4,00,000	DCDRC North East Delhi
7.	CC/422/2023	Indu Hospital	4,00,000	DCDRC Gurugram
8.	CC/935/2023	Shashi Kaushik	2,65,000	DCDRC Gautam Budh Nagar

9.	CC/849/2021	Tejinder	1,89,074	CDRF, Gurgaon
10.	CC/76/2021	Prabir Kumar Panja	1,68,193	CDRF, Paschim Medinipur
11.	CC/377/2023	Raj Kumar	1,63,800	DCDRC Jhajjar
12.	CC/12/24	Sanjay Kumar	1,50,000	DCDRC Gaya
13.	CC/27/2023	K.C.S. Petroleum	1,50,000	DCDRC Buldana, Maharashtra
14.	CC/46/2024	Shyam Sai Chaitanya Kumar Rao	1,22,000	DCDRC, East Singhbhum, Jharkhand
15.	CC/9/2024	Heera Kumari	1,20,980	DCDRC Hyderabad 2
16.	CC/50/21	Rajpal	1,14,000	CDRF, Kurushektra
17.	DCDRC/R/16/2024	Naseem Liaqat	1,00,000	DCDRC Rajouri
18.	CC/299/2024	Santosh Ojha	92,458	DCDRC Prayagraj
19.	CC/174/2024	Hukum Singh	91,500	DCDRC Meerut, Uttar Praesh
20.	CC/47/2024	Santosh ojha	76,600	DCDRC Allahabad
21.	CC/1035/2023	Aarti Yadav	72,910	DCDRC Gurugram
22.	CC/23/718	Shakunthla	72,000	DCDRC Rohtak
23.	CC/336/2023	Poonam	66,999	DCDRC Jaipur IV
24.	CC/114/2024	Santosh Yadav	65,500	DCDRC Narnaul
25.	CC/633/2023	Leena Bhardwaj	64,000	DCDRC Gautambuddh Nagar
26.	CC/19/487	Kaushik Chimanlal Choksi	47,972	DCDRF Ahmedabad Additional
27.	RBT/CC/550/2021	Manas Vijaybargaye	45,665	CDRF, Indore
28.	CC/108/2024	Christy Thomas	41,454	DCDRC Surat
29.	CC/39/2024	Rishipal Singh Tomar	36,640	DCDRC Gurugram
30.	CC/37/2024	Neeraj Kumar	35,928	DCDRC Hathras, Uttar Pradesh
31.	CC/22/98	Sanjeev Kumar	26,690	District Consumer Forum Mansa, Punjab
32.	CC/53/2023	Khurram Khan	20,499	DCDRC Varanasi
33.	CC/204/2022	C. Bhupathi Reddy	7,460	DCDRC Hyderabad
34.	CC/130/2023	Amit Kumar	4,250	DCDRC Panchkula
35.	CC/369/2024	Manish Kumar	Not Quantifiable	DCDRC Jaipur- II, Rajasthan
36.	CC/325/2022	Madhu Garg	Not Quantifiable	DCDRC Kota, Rajasthan
37.	CC/114/2024	Shree Harbansh Sing	Not Quantifiable	DCDRC Jaipur- II, Rajasthan
TOTAL			60,19,787	

Civil Suit against the Company:

Sl. No.	Case No.	Complainant/ Plaintiff	Amount (in ₹)	Court Complex
1	CS/940/2019	Akhil Bharat Grahak panchayat	Not Quantifiable	Civil Judge (Junior Division)- 11, Jalandhar
2	CS/2517/2023	M/s Anunay Telecom	722939	Court Conduct (Junior Division)-10, Deoria Uttar Pradesh

Commercial Suits against the Company:

Sl. No.	Case No.	Complainant/ Plaintiff	Amount (in ₹)	Court Complex
1	CS/3139/2021	M/s Cee EL Traders	6,51,345	Civil Judge (Senior Division) Gurugram

2	CS/595/2021	Polaris Associates	20,02,154	Commercial Court of Kozhikode
3	CS(COMM)/566/2024	M/s Varahamurti Flexirub Industries Pvt Ltd	20,14,006	District Judges (Commercial Court) Central Delhi
		TOTAL	4667505	

MSME Cases against the Company:

Sl. No.	Case No.	Complainant/ Plaintiff	Amount (in ₹)	Court Complex
1	UDYAM-DL-08-00040856/M/00001	Promodome	39,79,249	Delhi
2	Petition No. 3951/2023	M/s Vecare Consumer Science Private Limited	8,72,454	Mumbai
		TOTAL	48,51,703	

Arbitration Case Against the Company:

Sl. No.	Case No.	Complainant/ Plaintiff	Amount (in ₹)	Court Complex
1	DL/06/M/NWC/01741/2024	Maverick	17,27,438	New Delhi

(b) Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:

i. Kedar Kumar Agrawal (Mahabir Marketing) v. Hindware Home Innovation Limited & Ors.

Court/Authority	Additional Chief Judicial Magistrate (ACJM) Division, Civil Courts, Patna Sadar (Complaint no. 8477/2023)
Section Code	Section 406, 420, 467, 468, and 120(B) of the Indian Penal Code, 1860.
Case Details	Criminal Complaint No. 8477/2023 dated September 15, 2023 has been filed at the Additional Chief Judicial Magistrate (ACJM), Patna, by one of the distributors, M/s Mahabir Marketing, against the Company and its employees. The complaint is brought under Sections 406, 420, 467, 468, and 120B of the Indian Penal Code, 1860 for misrepresentation and breach of trust. In this matter, the Company has not yet been summoned, nor has the court admitted the complaint. However, a communication was received from the counterpart, and accordingly, this has been disclosed herein out of an abundance of caution. This matter is currently under inquiry and witness examination.
Status	Pending
Amount Involved	INR 4,80,000 (Indian Rupees Four Lakh Eighty Thousand Only)

ii. M/s. Sain Care v. Hindware Home Innovation Limited & Ors.

Court/Authority	Additional Chief Metropolitan Magistrate II, Kolkata (Complaint no. 5935/24)
Section Code	Section 420, 406, 403, 506 and 120B of the Indian Penal Code, 1860.
Case Details	Criminal Complaint No. 5935/24, dated May 21, 2024, has been filed at the Additional Chief Metropolitan Magistrate II, Kolkata, by one of the distributors of the Company, M/s Sain Care, against the Company and its employees. The complaint is brought under Sections 403, 406, 420, 506, and 120B of the Indian Penal Code, 1860 for misrepresentation, misappropriation, and breach of trust. In this matter, the Company has been summoned by the court to file its response and appear on August 27, 2024. Furthermore, the Company has filed Case No. 15930/23 under Section 138 of the Negotiable Instruments Act against M/s. Sain Care for an amount of INR 18,70,000 (Indian Rupees Eighteen Lakhs Seventy Thousand only), which is currently pending adjudication before the Patiala House Court in Delhi.

Status	Pending
Amount Involved	INR 20,23,990.56 (Indian Rupees Twenty Lakh Twenty-Three Thousand Nine Hundred Ninety and Fifty-Six Paise Only)

Further, there are no other pending litigations involving issues of moral turpitude or criminal liability neither arises in the preceding last ten years.

(c) Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:

There are no pending litigations /proceedings relating to economic offences neither arises in the preceding last ten years.

(d) Litigation involving material violations of statutory regulations which are currently pending against the Company and its Subsidiaries or have arisen in the preceding last ten years:

Except as mentioned below, there are no pending litigations involving material violations of statutory regulations neither arises in the preceding last ten years.

Company	Name of Statute	Nature of Due	Period	Amount involved (₹ in Lakhs)	Forum Where Matter is Pending
Hindware Home Innovation Limited	Finance Act 1994	Service Tax	2013-14	37.57	The Hon'ble Supreme Court of India
Hindware Home Innovation Limited	Haryana CST Act	Haryana CST	2017-18	9.83	Excise & Taxation Officer- Cum Assessing Authority Gurgaon (South)
Hindware Home Innovation Limited	Gujrat Vat Act	Gujrat VAT	2014-15	82.51	The Hon'ble Gujarat Vat Tribunal, Ahmedabad
Hindware Home Innovation Limited	Gujarat GST Act, 2017	Goods and Service Tax	2020-21	2.06	Deputy Commissioner (Appeals-II), Rajya Kar Bhavan, Ashram Road, Ahmedabad, Gujarat
Hindware Home Innovation Limited	Haryana GST Act, 2017	Goods and Service Tax	2017-18	1,911.69	1st Appellate Authority
Hindware Home Innovation Limited	Karnataka GST Act, 2017	Goods and Service Tax	2018-19	10.55	Joint Commissioner (Appeals), BMTC Building, 2nd Floor, Shanthinagar, Bangalore -560027
Hindware Home Innovation Limited	Maharashtra GST Act, 2017	Goods and Service Tax	2017-18	50.62	1st Appellate Authority
Hindware Home Innovation Limited	Gujarat GST	Goods and Service Tax	2018-19	34.52	Joint Commissioner of State Tax (Appeal-1), Rajya Kar Bhavan Ashram Road Ahmedabad
Hindware Home Innovation Limited	Telangana GST Act, 2017	Goods and Service Tax	2018-19	99.23	1st Appellate Authority
Hindware Home Innovation Limited	Telangana GST Act, 2017	Goods and Service Tax	2018-19	14.71	1st Appellate Authority
Hindware Home Innovation Limited	Punjab GST Act, 2017	Goods and Service Tax	2019-20	0.2	Appeal is to Be Filled
Hindware Home Innovation Limited	Punjab GST Act, 2017	Goods and Service Tax	2019-20	44.21	Appeal is to Be Filled
Hindware Home Innovation Limited	Haryana GST Act, 2017	Goods and Service Tax	2019-20	7.13	Appeal is to Be Filled
Hindware Home Innovation Limited	Maharashtra GST Act	Goods and Service Tax	2019-20	100.44	Appeal is to be Filled

Company	Name of Statute	Nature of Due	Period	Amount involved (₹ in Lakhs)	Forum Where Matter is Pending
Hindware Limited	Gujarat CST	VAT	2016-17	40.41	Joint Commissioner Appeal, Gujrat
Hindware Limited	Gujarat CST	VAT	2016-17	5.59	Deputy Commissioner Appeal, CCT, Ahmedabad, Gujarat
Hindware Limited	Jharkhand VAT	VAT	2014-15	14.29	In the Court Of Additional Commissioner Commercial Taxes, Jharkhand, Ranchi
Hindware Limited	CST Act	CST	2015-16	54.59	Special Commissioner, Delhi
Hindware Limited	Delhi Sales Tax Act, 1975	CST	2016-17	70.83	Department of Trade and Taxes, New Delhi
Hindware Limited	Delhi Sales Tax Act, 1975	CST	2017-18	28.55	The Department of Trade And Taxes, Government Of NCT Of Delhi
Hindware Limited	Chandigarh CST	CST	2014-15	41.14	Deputy Excise and Taxation Commissioner (Appeal), Chandigarh
Hindware Limited	Gujrat GST Act 2017	GST	2020-21	0.83	Adjudicating Authority
Hindware Limited	Delhi Sales Tax Act, 1975	VAT	2016-17	1.65	The Department of Trade and Taxes, Government of NCT of Delhi
Hindware Limited	Delhi Sales Tax Act, 1975	VAT	2017-18	1.84	Objecting Authority, Department of Trade and Taxes, New Delhi
Hindware Limited	Delhi Sales Tax Act, 1975	Sales Tax	2010 - 2011 to 2014-15	73.05	Additional Commissioner
Hindware Limited	Delhi Sales Tax Act, 1975	Sales Tax	2004-05 to 2010-11	41.69	Additional Commissioner
Hindware Limited	Delhi GST Act, 2017	GST	2017-18	138.78	Joint Commissioner, Delhi
Hindware Limited	Delhi GST Act, 2017	Goods and Service Tax	2018-19	63.71	Appeal Pending Before Joint Commissioner (A)
Hindware Limited	Delhi GST Act, 2017	Goods and Service Tax	2018-19	47.8	Appeal Pending Before Joint Commissioner (A)
Hindware Limited	West Bengal GST Act, 2017	Goods and Service Tax	2018-19	0.47	Before Senior Joint Commissioner of State Tax (A)
Hindware Limited	Uttar Pradesh GST Act, 2017	Goods and Service Tax	2018-19	12.08	Appeal Pending Before Joint Commissioner (A)
Hindware Limited	Bihar GST Act, 2017	Goods and Service Tax	2018-19	3.73	Appeal Pending Before Joint Commissioner (A)
Hindware Limited	Gujarat GST Act, 2017	Goods and Service Tax	2019-20	1.72	Pending Before Adjudicating Authority
Hindware Limited	West Bengal GST Act, 2017	Goods and Service Tax	2019-20	0.74	Pending Before Adjudicating Authority
Hindware Limited	CGST Act, 2017	Goods and Service Tax	2020-21	3.70	Pending Before Adjudicating Authority
Hindware Limited	Bihar VAT Act	Sales Tax	2016-17	14.29	Additional Commissioner
Hindware Limited	Punjab GST Act, 2017	GST	2017-18	44.53	Excise & Taxation Officer- Cum State Tax Officer, Punjab

(e) Penalties imposed by regulatory authorities for violations in the past:

Except as mentioned below, there are no penalties imposed by regulatory authorities for violations in the past.

During the year 2023-24, Company has received a Notice from National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) for violation of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”). As per notice the Company has not taken prior approval before appointing

Mr. Girdhari Lal Sultania who has attained the age of 75 years as an Additional Director (Non-Independent Director) at the Board Meeting held on February 8, 2023. In this regard, BSE has imposed a fine of Rs.99,120 (including GST) on the Company. However, the Company vide letter dated 26.05.2023 informed the BSE (Designated Stock exchange) that the Company has been in compliance of Regulation 17 (1A) LODR Regulation and the Company has applied for waiver of fine to BSE vide letter dated May 26, 2023 and the same is still pending with BSE.

FILED BY THE COMPANY

(a) Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:

There are around 198 cases filed by the company against various entities under section 138 of the Negotiable Instrument Act, 1881 at MM, Patiala House Courts, New Delhi. The aggregate amount of such cases is Rs.17,61,18,201 (Approx.).

B. MATERIAL LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANY

1. AGAINST THE SUBSIDIARY OF THE COMPANY:

The litigations involving the Subsidiary of the Company that fall below the Materiality Threshold, as defined by the Company's LODR Materiality Policy, have not been disclosed in detail within this Draft Letter of Offer. It is acknowledged that an adverse outcome in these matters, when considered individually, would not materially or adversely impact the operations or financial position of the Company. For the sake of brevity, a comprehensive list of all ongoing cases, excluding Criminal Cases, is provided below:

Consumer Complaint Case against the Subsidiary of the Company:

Hindware Limited

SL. No.	Case No.	Complainant/ Plaintiff	Amount Involved (in ₹)	Court Name
1.	CC/45/2020	R. Venkataramanan	14,33,600	DCDRF North Chennai
2.	CC/318/2023	Mahesh Babu T	14,00,000	DCDRF Bengaluru
3.	CC/49/2022	Deepali Jain	6,16,267	DCDRF, Ludhiana
4.	CC/643/2021	Rajkumar Jain	5,22,700	DCDRF Jaipur IV
5.	CC/242/2023	Sukhwinder Singh	2,41,179	DCDRF Jalandhar
6.	CC/501/2018	Manoj Keshot	2,23,895	DCDRF Jaipur II Rajasthan
7.	CC/114/2021	Ajay Kumar Sharma	2,06,400	DCDRF Raigarh Chhattisgarh
8.	CC/581/2023	Bhavan Kk	2,00,000	DCDRF Trissur
9.	CC/132/2021	Pramod Kumar Soni	1,46,900	DCDRC Lucknow- II
10.	CC/133/2019	S Krishna Kumar	1,11,150	DCDRF Thiruvananthapuram
11.	CC/418/2019	Amiya Kumar Asthana	1,10,000	DCDRF, Lucknow
12.	A/41/2020	M/S Vishal Trading Co.	94,162	State Commission Lucknow
13.	CC/253/2024	Pavan V Kulkarni	70,000	DCDRC Bengaluru Urban
14.	CC/982/2023	Tushar Banerjee	8,277	District Consumer Court of Gurgaon
15.	CC/224/2022	Sanjeev Paliwal	Not Quantifiable	DCDRF Rajasthan
16.	CC/171/2022	Kalyan Sahay Koli	Not Quantifiable	DCDRF Rajasthan
17.	A/37/2024	Mohan Lal Sharma	Not Quantifiable	Consumer Court of Scdrc, Circuit Bench Bikaner
18.	CC/329/2024	Jitendra Singh	Not Quantifiable	Consumer Court of Uttar Pradesh, Lucknow-II
TOTAL			53,84,530	

Civil Cases against the Subsidiary of the Company:

Hindware Limited

SL. No.	Case No.	Complainant/ Plaintiff and Respondent/Defendant	Amount (in ₹)	Court Name
1	EXE/2081/2022	M/S NR Engineers Vs Hindware Ltd	26,96,548	Civil Court Alwar Court, Rajasthan

2	Recovery Suit /08/2020	M/S Telmos Electronics Pvt. Ltd. Vs HSIL	21,15,901	Civil Court Bahadurgarh, Haryana
3	Recovery Suit /67/2021	M/S Telmos Electronics Vs HSIL	13,30,581	Civil Court Bahadurgarh, Haryana
4	CS/149/2019	Kumar Gourab Samal Prop; Utkal Sanitary Vs HSIL	8,22,167	Civil Court Angul Odisha
5	CS DJ - Civil Suit for Dj Adj 452/2023	Anu Katoch Vs Hindware Limited	4,31,193	Civil Court Rohini Court Complex North Delhi
TOTAL			73,96,390	

OTHER MATERIAL LITIGATIONS FILED ANAINT THE SUBSIDIARY OF THE COMPANY:

I. Shubham Sanitaryware v. Competition Commission of India & Ors.

Court/Authority	Supreme Court of India
Section Code	Section 53T of the Competition Act, 2002
Case Details	<p>M/S Shubham Sanitaryware ("Appellant") has filed an appeal under Section 53T of the Competition Act, 2002 before the Hon'ble Supreme Court of India. The appeal concerns alleged violations of Sections 3(4) and 4 of the Competition Act, 2002 by the Respondent Company- HSIL Limited ("Company"). The Appellant claims that the Company has been dictating discount policies at every level of the supply chain and engaging in tie-in arrangements by compelling its dealers to purchase products in conjunction with products sourced from other manufacturers. Section 3 of the Competition Act, 2002 prohibits tie-in agreements and declares that any agreement concerning price maintenance is void. Furthermore, Section 4 of the Competition Act, 2002 prohibits the abuse of a dominant position.</p> <p><i>Facts</i></p> <p>The Appellant was appointed as an authorized dealer of the Company through a dealership agreement dated October 28, 2003, to sell the Company's products in Indore, Madhya Pradesh. The Appellant alleges that the Company issued guidelines on the discount policy on the maximum retail price (MRP) and prescribed a minimum selling price for dealers selling the Company's products to sub-dealers and customers in Madhya Pradesh. The Appellant was selling the products at prices exceeding the discount prescribed by the Company, leading the Company to cease supplying goods to the Appellant.</p> <p>In response, the Appellant filed detailed information under Section 19(1)(a) of the Competition Act with the Competition Commission of India ("CCI"), asserting that the Company's cessation of supply amounted to a violation of Sections 3(4)(a) and 3(4)(e) of Competition Act, 2002.</p> <p><i>CCI's Findings:</i> On September 9, 2015, the CCI issued an order declining to initiate an inquiry against the Company under Section 26(a) of the Competition Act, 2002. The CCI's decision was based on the following observations:</p> <ol style="list-style-type: none"> 1. The Company only restricted the sale of products at a price higher than the MRP and did not impose any restrictions on the discounts that the Appellant could offer to sub-dealers and customers. 2. The Company was not engaged in any tie-in arrangements, as it had been consistently supplying spare parts to dealers based on their demand. The Appellant's allegations pertained to an imported ceramic item, a one-piece item for which it was impractical for the Company to sell parts. Thus, the Company was not in violation of Section 3(4) of the Competition Act.

	<p>3. The CCI noted that the allegations made by the Appellant had been previously filed before the Commission in Case No. 99 of 2013 and were dismissed by an order dated February 5, 2014. The Appellant had not provided any new evidence regarding similar violations in the present case.</p> <p><i>Appeal to the Competition Appellate Tribunal:</i> Aggrieved by the CCI's order, the Appellant filed an appeal before the Competition Appellate Tribunal at New Delhi, in Appeal No. 19 of 2016. The Tribunal, however, dismissed the appeal on the same grounds as the CCI.</p> <p><i>Appeal before the Hon'ble Supreme Court of India.</i> The Appellant filed the aforementioned Appeal under Section 53T of the Competition Act 2002, against the Final Judgment and Order dated November 29, 2016 (served on the appellant on December 09, 2016) passed by the Competition Appellate Tribunal at New Delhi, in Appeal No. 19 of 2016, whereby the tribunal has dismissed the appeal filed by the appellant challenging order dated September 09, 2015 passed by the CCI whereby the CCI has refused to issue directions for conducting an enquiry against Respondent No.2 under section 26(a) of the Competition Act, 2002.</p> <p>The Grounds of Appeal includes that the CCI and the tribunal have erred in their interpretation of the relevant geographical market by holding that the whole of India constitutes the relevant market, contrary to the definition provided in Section 2(s) of the Competition Act, 2002. They have improperly broadened the market scope, leading to a finding that the adverse effect on the market is not appreciable, and failed to recognize that the inquiry under Section 26 of the Competition Act, 2002 should only determine if a prima facie case exists. The affidavit of Shri Gavrav Sukhija is argued to be misleading, and his statements constitute an admission of the violation of Section 3(4) of the Competition Act, 2002. The Appellant has established a clear case of violation under Section 3(4)(a) and (e) of the Competition Act, 2002, supported by undisputed evidence such as emails from the Company. The CCI and the tribunal did not adequately consider all the elements required under Section 19 of the Competition Act, 2002 while determining adverse effects, and the Appellant reserves the right to present additional grounds during the hearing.</p> <p>On November 17, 2023 the Company submitted a written submission, informing the Hon'ble Supreme Court that the Building Products Distribution and Marketing ("BPDM") division of HSIL Limited was demerged into Brilloca Limited by an order of the NCLT, Kolkata, and subsequently, Brilloca Limited was renamed Hindware Limited by the Registrar of Companies, Kolkata, on April 13, 2024.</p>
Status	The matter is now pending before the Supreme Court of India, with the final hearing date yet to be scheduled.

Tax Proceedings:

Except as mentioned below, there are no outstanding Direct Tax Proceedings against the Subsidiaries including step down subsidiaries of the company.

Direct Tax:

Hindware Limited

Assessment Year	Section Code	Date of Demand	Amount (in ₹)	Updates
2020-21	143(3)	September 27, 2022	3,94,99,760	An appeal has been filed against the demand. The matter is Pending
		TOTAL	3,94,99,760	

Indirect Tax:

Except as mentioned in this chapter, there are no outstanding Indirect Tax proceedings against the Subsidiary Company of the company.

(f) **Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years: NIL**

LITIGATIONS FILED BY OUR SUBSIDIARY COMPANY

Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:

There are around 225 cases filed by the subsidiary company of the company against various entities under section 138 of the Negotiable Instrument Act, 1881 at various courts in India. The aggregate amount of such cases is Rs.25,52,43,857/- (Approx.).

OTHER MATERIAL LITIGATIONS FILED BY THE SUBSIDIARY OF THE COMPANY:

Hindware Limited v. Transmission Corporation of A.P. Ltd. & Ors.

Court/Authority	Supreme Court of India
Section Code	Article 136 of the Constitution of India
Date of Filing	February 14, 2024
Case Details	<p>Our Subsidiary Company - Hindware Limited (“Petitioner”) established an industrial unit at Somanyapuram, Brahmanapalli Village, Bibinagar Mandal, Yadadri Bhongir District, Telangana State, engaged in the manufacture of ceramic sanitary ware. Petitioner obtained an H.T. Service Connection bearing No. YDD082 from TSSPDCL (Telangana State Southern Power Distribution Company Limited) at a connected voltage level of 11 KV. The Petitioner purchased 1,34,000 shares of Andhra Pradesh Gas Power Corporation Limited (“APGPCL”) from GMR Technologies & Industrial Limited for an amount of INR 1,95,00,000 on October 19, 2002.</p> <p>A Memorandum of Understanding (“MOU-I”) was executed among APGCL, the erstwhile Andhra Pradesh State Electricity Board (“APSEB”), and the shareholders of APGPCL for the establishment of a 100 MW gas-based generating plant under Stage I. Subsequently, a separate Memorandum of Understanding (“MOU-II”) was entered into for Stage II, pertaining to the establishment of a 172 MW gas-based generating plant. Following the enactment of the A.P. Electricity Reforms Act, 1998, the Transmission Corporation of Andhra Pradesh (“APTRANSCO”) was substituted for the APSEB, resulting in the latter's dissolution. The Petitioner contends that they have been adversely affected by the revised billing issued by APTRANSCO in relation to the MOUs executed. These revised bills were issued without prior notice, wherein APTRANSCO has treated the surplus power as appropriated and has billed the Petitioner at its tariff rates.</p> <p>W.P. No 9160.of 2004 was filed against the impugned demand arising from the revised bills given whereby the allocation of surplus power by APGPCL from Stage II under clause 2.6 of MOU-II was not considered. The Learned Single Judge of the Hon’ble High Court passed order party allowing the writ petitions and <i>inter-alia</i> held that the participating industries have no claim on the surplus power in view of Clause 17(a) of MOU-I; however, the participating industries have preference over the surplus power at the rate to be determined between APTRANSCO and APCGPCL.</p> <p>The Petitioner, aggrieved by the Common Order dated December 6, 2004, filed W.A. No. 2153 of 2004 against it. In this matter, the Division Bench of the Hon’ble High Court of Telangana (W.P. Nos. 2153 of 2004) held that APTRANSCO was authorized, pursuant to Clause 11 of MOU-I and Clause 3.2 of MOU-II, to issue revised bills concerning surplus energy supplied by APGPCL to participating industries under Stage II. Furthermore, the Court determined that APTRANSCO is entitled to charge the tariff for such energy in accordance with Clause 11 of MOU-I and Clause 3.2 of MOU-II, thereby modifying the Common Order dated December 6, 2004, of the Learned Single Judge to that extent.</p> <p>The Petitioner, aggrieved by the Common Final Judgment and Order dated August 16, 2023, issued by the Division Bench of the Hon’ble High Court of Judicature for the State of Telangana at Hyderabad, has filed a Special Leave to Appeal in the Hon’ble Supreme Court of India. This appeal pertains to the Common Final Judgment and Order dated August 16, 2023, rendered in W.A. Nos. 2153 of 2004 by the Division Bench of the Hon’ble High Court of Telangana. The matter is presently scheduled for a hearing.</p>
Status	Pending
Amount Involved	INR 7,59,15,146 (Indian Rupees Seven Crore Fifty-Nine Lakh Fifteen Thousand One Hundred Forty-Six Only)

HSIL Limited and Anr. v. ICICI Securities Ltd and Ors

Court/Authority	High Court of Delhi, At New Delhi
Section Code	Section 39 of the Specific Relief Act, 1963 and Order 39 of the Code of Civil Procedure, 1908 (CPC)
Case Details	Suit for damages and permanent & mandatory injunction has been filed with by the HSIL (“ Plaintiff ”) and Hindware Limited, on account of a highly defamatory, libelous, false, disparaging and malicious Report published by the ICICI Securities (“ Defendant ”) titled “ <i>Jaquar pips HSIL; becomes India’s No.1 sanitaryware brand</i> ” on dated April 28, 2020. This report led to “ <i>widespread defamation</i> ” of HSIL and “ <i>disparagement of its products and brand</i> ”. The mediation in the case has failed, and the parties have requested the matter to be scheduled for the recording of evidence before the “Court Commissioner”, appointed on August 24, 2023. The Court has directed the parties to submit their list of witnesses within 15 days and for the plaintiffs to file an affidavit by way of examination-in-chief within 4 weeks. Now the matter is fixed to be listed before court on October 29, 2024.
Status	Pending
Amount Involved	INR 5,00,00,000 (Indian Rupees Five Crore Only)

PENDING MATTERS, WHICH, IF THEY RESULT IN AN ADVERSE OUTCOME, WOULD MATERIALLY AND ADVERSELY AFFECT THE OPERATIONS OR THE FINANCIAL POSITION OF THE COMPANY AND ITS SUBSIDIARIES:

Except as disclosed hereinabove there are no Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of the Company and its Subsidiaries.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS / FRAUDULENT BORROWERS

Neither the Company nor our Promoter or any of our directors are or have been categorized as a willful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

GOVERNMENT AND OTHER APPROVALS

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, refer to the chapter titled “*Objects of the Issue*” beginning at page 52.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET I.E. MARCH 31, 2024.

Except as mentioned in the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page 178, no material developments have occurred since March 31, 2024, which materially or adversely affect or are likely to affect: (a) the operations or the profitability of our Company; or (b) the value of its assets; or (c) its ability to pay its liabilities in the next 12 months; or (d) its performance and prospects.

GOVERNMENT APPROVALS

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, refer to the chapter titled “*Objects of the Issue*” beginning at page 52 of this Draft Letter of Offer.

MATERIAL DEVELOPMENTS

Except as stated in the chapter *“Management’s Discussion and Analysis of Financial Condition and Results of Operations”* beginning on page 178 of this Draft Letter of Offer and to our knowledge, no circumstances have arisen since March 31, 2024, which materially or adversely affect or are likely to affect, our operations, performance, prospects or profitability, or the value of our assets or liabilities of the Company.

1. Mr. Naveen Malik, Chief Financial Officer (CFO) of the Company was also designated as Chief Executive Officer (CEO) of the Company w.e.f. May 28, 2024 vide the approval of the Board of Directors at its meeting held on May 28, 2024. Pursuant to this, Mr. Naveen Malik holds the office of CEO and CFO.
2. Pursuant to the approval of the Board of Directors and members dated May 28, 2024 and July 04, 2024 respectively, Authorised Share Capital of the Company was increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores only) comprising of 7,50,00,000 Equity Shares of Rs. 2/- each to Rs. 30,00,00,000/- (Rupees Thirty Crores only) divided into 15,00,00,000 Equity Shares of Rs. 2/- each.
3. The Board of Directors of the Company recommended a dividend of 20% i.e., 0.40 paise per equity share of face value of ₹ 2 each, for the Financial Year ended March 31, 2024 in their Board Meeting held on May 28, 2024.

The same was approved by the shareholders of the Company at its 7th AGM held on August 28, 2024.

4. The Board of Directors vide its resolution dated May 28, 2024 approved to discontinue further operation of the Retail Business of furniture and furnishings with an immediate effect. The Board has also approved the sale/liquidation of various assets relating to the Retail Division.
5. The Board of Directors approved the issuance of equity shares of the Company for an amount upto ₹ 20,500 Lakhs by way of Rights Issue in their Board Meeting held on August 09, 2024. Furthermore, the Board on September 02, 2024 superseded its resolution dated August 09, 2024 and approved the issuance of equity shares of the Company for an amount upto ₹ 25,000 Lakhs by way of Rights Issue.
6. The Board of Directors recommended re-appointment of Mr. Nand Gopal Khaitan (DIN: 00020588), Mr. Ashok Jaipuria (DIN: 00214707), and Mr. Salil Kumar Bhandari (DIN: 00017566) as Independent Directors of the Company for a second term of 5 (five) consecutive years w.e.f., September 14, 2024 in their Board Meeting held on May 28, 2024.

The same were approved by the shareholders of the Company on July 04, 2024 by way of postal ballot.

7. The Central Consumer Protection Authority (“CCPA”) has issued an order dated July 08, 2024, under Section 21 of the Consumer Protection Act, 2019 against the Company, imposing a penalty of ₹1,00,000 (Rupees One Lakh only) for violation of provisions of the Consumer Protection Act, 2019 read with Consumer Protection (E-Commerce) Rules, 2020.
8. The Company has received a Demand Order dated August 26, 2024 under Section 73 of the Goods and Services Tax Act, 2017 from the Deputy Commissioner of State tax, Bhiwandi-503, Raigad, Maharashtra, to pay confirmed tax demand ₹ 1,00,43,587 (including interest and penalty).
9. Hindware Limited (subsidiary) has received a Demand Order dated August 28, 2024 on August 29, 2024 under Section 73 of the Goods and Services Tax Act, 2017 from the State Tax Officer, Ghatak Ahmedabad to pay confirmed tax demand ₹ 1,71,892 (including interest and penalty).
10. Hindware Limited (subsidiary) has received a Demand Order dated August 30, 2024 on August 31, 2024 under Section 73 of the Goods and Services Tax Act, 2017 from the Superintendent, Central Tax, Bhongir, Telangana, to pay confirmed tax demand ₹ 3,69,504 (including demand and penalty).
11. The Company has received a Demand Order dated August 31, 2024 received on August 31, 2024 under Section 73 of the Goods and Services Tax Act, 2017 from the Excise & Taxation Officer-cum-state Tax officer, Mohali, Punjab to pay confirmed Tax Demand ₹ 44,20,712 (including interest and penalty).

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE:

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on September 02, 2024, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act.

This Draft Letter of Offer and Letter of Offer have been approved by our Rights Issue Committee pursuant to its resolution dated September 25, 2024 and [●], 2024, respectively. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Rights Issue Committee at its meeting held on [●], 2024.

The Rights Issue Committee, in its meeting held on [●], 2024, has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹[●] Lakhs* and the Rights Entitlement as [●] Rights Equity Share for every [●] fully paid-up Equity Shares, held as on the Record Date. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to determination of the Record Date.

**Assuming full subscription in the Issue.*

Our Company has received in-principle approvals from NSE and BSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make applications to NSE and BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of Allottees. For details, see “*Terms of the Issue*” beginning on page 209.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoter, the members of our Promoter Group and our Directors have not been and are not prohibited or debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Further, our Promoter and our Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

None of our Directors are associated with the securities market in any manner. Further, there is no outstanding action initiated by SEBI against any of our directors, who have been associated with the securities market.

Neither our Promoter nor any of our Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

PROHIBITION BY RBI

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on NSE and BSE. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI ICDR REGULATIONS:

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made applications to the NSE and BSE and has received their in-principle approvals through their letters

dated [●] and [●] for issuance of the Rights Equity Shares pursuant to this Issue. BSE is the Designated Stock Exchange for the Issue.

COMPLIANCE WITH CONDITIONS OF FAST TRACK ISSUE

Our Company satisfies the following conditions specified in Regulation 99 of the SEBI ICDR Regulations, and accordingly, our Company is eligible to make this Issue by way of a 'fast track issue':

- Our Equity Shares have been listed on BSE and NSE, each being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing of this Draft Letter of Offer;
- The entire shareholding of the members of our Promoter Group in our Company is held in dematerialized form as at the date of filing of this Draft Letter of Offer;
- The average market capitalization of the public shareholding (as defined in the SEBI ICDR Regulations) of our Company is at least ₹250 crore, in at least one of the recognized stock exchanges with nationwide trading terminals, where our securities are listed, calculated as per explanation (i) of Regulation 99 of SEBI ICDR Regulations;
- The annualized trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of this Draft Letter of Offer has been at least 2% of the weighted average number of Equity Shares listed during such six-months period on each of the Stock Exchanges;
- The annualized delivery-based trading turnover of our Equity Shares during the six calendar months immediately preceding the month of filing of this Draft Letter of Offer has been at least 10% of the annualized trading turnover of our Equity Shares during such six-month period on each of the Stock Exchanges;
- Our Company has been in compliance with the equity listing agreement entered into with the Stock Exchanges and the SEBI LODR Regulations, for a period of at least three years immediately preceding the date of filing of this Draft Letter of Offer;
- Our Company has redressed at least 95% of the complaints received from the investors until the end of the quarter immediately preceding the month of filing of this Draft Letter of Offer;
- As on the date of filing of this Draft Letter of Offer, no show-cause notices, excluding proceedings for imposition of penalty, have been issued by SEBI and are pending against our Company, our Promoters or Whole-time Directors. Further, no show cause notices have been issued by the SEBI or an Adjudicating Officer in a proceeding for imposition of penalty and/or no prosecution proceedings have been initiated by SEBI, against our Company, our Promoters or Whole-time Directors;
- Our Company, our Promoters, the members of our Promoter Group or our Directors have not settled any alleged violations of securities laws through the settlement mechanism with SEBI during the three years immediately preceding the date of filing of this Draft Letter of Offer;
- Our Equity Shares have not been suspended from trading as a disciplinary measure during the three years immediately preceding the date of filing of this Draft Letter of Offer;
- There is no conflict of interest between the Lead Manager and our Company or our Group Companies in accordance with applicable regulations;
- Our Promoters and Promoter Group have confirmed that they will (i) subscribe to the full extent of their Rights Entitlements in the Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced by any of them in favour of our Promoters or other member(s) of our Promoter Group); (ii) subscribe to additional Rights Entitlements over and above their Rights Entitlements, if any, which are renounced in their favour by our Promoters or any other member(s) of our Promoter Group; and (iii) subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the Securities Contracts (Regulation) Rules, 1957 and the SEBI LODR Regulations. For details, see "*Capital Structure – Intention and extent of participation in the Issue by the Promoters and Promoter Group*" on page 50; and

- There are no audit qualifications (as defined under the SEBI ICDR Regulations) on the audited accounts of our Company, in respect of the Financial Years for which such accounts are disclosed in this Draft Letter of Offer.

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

- Our Company has been filing periodic reports, statements and information in compliance with the SEBI LODR Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
- The reports, statements and information referred to above are available on the websites of BSE and NSE; and
- Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

NON-APPLICABILITY OF CONDITIONS PRECEDENT UNDER CLAUSE (3) OF PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

1. Our Company's management has not undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the SEBI Takeover Regulations, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such change; and
2. Our Company has not been listed consequent to the relaxation granted by SEBI under sub-rule (7) of Rule 19 of the SCRR for listing of its specified securities pursuant to a scheme sanctioned by a High Court under Sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under Sections 230 to 234 of the Companies Act, as applicable. Our Company is not making a rights issue of specified securities for the first time subsequent to any such listing.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations, and given that the conditions prescribed in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGER, BEING FINSHORE MANAGEMENT SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], 2024, WHICH READS AS FOLLOWS:

- (1) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS,**

ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE.

- (2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
 - (a) THE LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;
 - (b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (c) THE MATERIAL DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- (3) BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT UNTIL DATE SUCH REGISTRATION IS VALID. COMPLIED WITH
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOT APPLICABLE
- (5) WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE LETTER OF OFFER. NOT APPLICABLE
- (6) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE LETTER OF OFFER. NOT APPLICABLE
- (7) ALL APPLICABLE PROVISIONS OF SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THE STATUTORY AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE. NOT APPLICABLE
- (8) NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE

- (9) **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE**
- (10) **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE LETTER OF OFFER:**
- (a) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY, EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING EQUITY SHARES WITH SUPERIOR RIGHTS. COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY EQUITY SHARES WITH SUPERIOR RIGHTS); AND**
- (b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH**
- (11) **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SEBI ICDR REGULATIONS. NOTED FOR COMPLIANCE**
- (12) **IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS CHAPTER X OF THE SEBI ICDR REGULATIONS. NOT APPLICABLE**
- (13) **NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY. COMPLIED WITH**
- (14) **THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SEBI ICDR REGULATIONS. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER. COMPLIED WITH TO THE EXTENT APPLICABLE**
- (15) **THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SEBI ICDR REGULATIONS. COMPLIED WITH**
- (16) **ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN. COMPLIED WITH AND NOTED FOR COMPLIANCE**
- (17) **AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY. COMPLIED WITH**

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

The Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have been represented by the Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules,

regulations, guidelines and approvals to acquire the Right Equity Shares of the Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Our Company, the Draft Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

The Lead Manager and its affiliates may engage in transactions with and perform services for our Company or our affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company or our affiliates, for which they have received and may in the future receive, compensation.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in **Kolkata, West Bengal** only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

DISCLAIMER CLAUSE OF THE BSE

As required, a copy of the Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

DISCLAIMER CLAUSE OF NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchanges.

FILING

This Draft Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations for obtaining its in-principle approval. Furthermore, the Letter of Offer will be filed with the Stock Exchanges and SEBI as per the provisions of the SEBI ICDR Regulations. Further, Our Company will simultaneously while filing the Letter of Offer with the Designated Stock Exchange, do an online filing with SEBI through the SEBI Intermediary Portal in accordance with SEBI ICDR Master Circular.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011 and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023 and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship (Shareholders'/Investors' Grievance) Committee which meets at least once every year and as and when required. Its terms of reference are (i) to resolve the grievances of the security holders of the Company including complaints related to transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc; (ii) to review measures taken for effective exercise of voting rights by shareholders; (iii) to review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and (iv) to review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Maheshwari Datamatics Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Compliance Officer.

The investor complaints received by our Company are generally disposed of within 21 days from the date of receipt of the complaint.

Investors may contact the Registrar to the Issue i.e., Cameo Corporate Services Limited or our Company Secretary for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see "Terms of the Issue" beginning on page 209.

In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. the Company undertakes to resolve the investor grievances in a time bound manner.

Contact details of the Registrar to the Issue and of the Company Secretary are as follows:

The contact details of Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Cameo Corporate Services Limited

"Subramanian Building", No.1, Club House Road,
Chennai - 600 002, India

Tel: 044 – 4002 0700 (5 lines)

Email: priya@cameoindia.com

Investor grievance Email: investor@cameoindia.com

Contact Person: Ms. K Sreepriya

Website: www.cameoindia.com

SEBI Registration No.: INR000003753

CIN: U67120TN1998PLC041613

Company Secretary and Compliance Officer

Payal M Puri

Unit No 201 (i), (ii), (iiiA), (XVI) 2nd Floor, BPTP Park
Centra, Sector-30, NH-8, Gurugram-122001

Tel: +91 124 4779200

E-mail: investors@hindwarehomes.com

Status of outstanding investor complaints in relation to the Company

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints in relation to the Company.

SECTION IX: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

Please note that our Company has opened a separate demat suspense escrow account (namely, “[●]”) (“Demat Suspense Account”) and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund (“IEPF”) authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed / suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., by [●], to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see “*Restrictions on Purchases and Resales*” beginning on page 235.

The Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable laws) on the websites of:

- i. our Company at www.hindwarehomes.com;
- ii. the Registrar at <https://rights.cameoindia.com/hindware>;
- iii. the Lead Manager, at www.finshoregroup.com;
- iv. the Stock Exchanges at www.bseindia.com, and www.nseindia.com.

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/hindware>.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/hindware>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company at www.hindwarehomes.com.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for not sending the physical copies of Issue materials, including this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India).

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.**

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “Grounds for Technical Rejection” on page 218. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 214.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to in the Issue.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI

registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (c) Do not send your physical Application to the Lead Manager, the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.
- (f) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- (g) Do not submit Multiple Application Forms.

- ***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Hindware Home Innovation Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total Application amount paid at the rate of ₹[●] per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “**Restrictions on Purchases and Resales - Representations, Warranties and Agreements by Purchasers**” on page 235, and shall include the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“Regulation S”) to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

*I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Draft Letter of Offer titled “**Restrictions on Purchases and Resales**” on page 235.*

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/hindware>.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall visit <https://rights.cameoindia.com/hindware>, to upload their client master sheet and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date; and
- (c) The remaining procedure for Application shall be same as set out in the section entitled “***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***” on page 214.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Application for Additional Rights Equity Shares

- III.** Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in the section entitled “***Basis of Allotment***” on page 228.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled “***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***” on page 214.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date,

Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

- (e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar or the Lead Manager.
- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-Tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be **“suspended for credit”** and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (**“Demographic Details”**) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investors should provide correct DP ID and Client ID/ folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.
- (n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (r) Do not submit Multiple Applications.
- (s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA Rules, as amended.
- (t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records.
- (s) Applicants not having the requisite approvals to make Application in the Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "***Procedure for Applications by Mutual Funds***" on page 221.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoter or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled "***Capital Structure – Intention and extent of participation in this Issue by our Promoter and Promoter Group***" on page 50.

- ***Procedure for Applications by certain categories of Investors***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject

to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled "***Basis of Allotment***" on page 228.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

IV. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

- ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/hindware>) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.hindwarehomes.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense Account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. <https://rights.cameoindia.com/hindware>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

V. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renounees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

- ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

Full issue price i.e., ₹ [●] per Rights Equity Share (including premium of ₹ [●] per Rights Equity Share) shall be payable on Application.

(a) ***On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on ‘T+1 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

VI. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the

Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VII. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see “*The Issue*” beginning on page 45.

• ***Fractional Entitlements***

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares as on Record Date shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

• ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

• ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps

for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●], and from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 542905) and NSE (Symbol: HINDWAREAP) under the ISIN: INE05AN01011. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of our Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see “***Capital Structure – Intention and extent of participation in the Issue by our Promoter and Promoter Group***” on page 50.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- (a) The right to receive dividend, if declared;
- (b) The right to receive surplus on liquidation;
- (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- (d) The right to free transferability of Rights Equity Shares;
- (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and
- (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VIII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch

of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

- ***Notices***

Our Company will send through email and speed post, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Bengali language daily newspaper with wide circulation (Bengali being the regional language of Kolkata, where our Registered Office is situated).

The Draft Letter of Offer, The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at "Subramanian Building", No. 1, Club House Road, Chennai - 600 002, Tamil Nadu, India". It will be the sole responsibility of the Investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue

and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at priya@cameoindia.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 229.

IX. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

X. BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

XI. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in Demat Suspense Account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "**officers in default**" shall pay interest at such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XII. PAYMENT OF REFUND

- ***Mode of making refunds***

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

- (a) Unblocking amounts blocked using ASBA facility.
- (b) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“**MICR**”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (c) **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- (d) **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- (e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- (f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
- (g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

- ***Refund payment to non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XIII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- ***Receipt of the Rights Equity Shares in Dematerialized Form***

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar and Share Transfer Agent i.e., Maheshwari Datamatics Private Limited, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated February 01, 2019, amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated August 14, 2019, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIV. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who —

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹10 Lakhs or 1% of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50 Lakhs or with both.

XV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XVI. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within the time limit specified by SEBI.
- 3) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

- 6) No further issue of securities shall be made till the securities offered through this Draft Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- 7) Adequate arrangements shall be made to collect all ASBA Applications.
- 8) As on date, our Company does not have any convertible debt instruments.
- 9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVII. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read the Draft Letter of Offer and Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed "**Hindware Home Innovation Limited – Rights Issue**" on the envelope and postmarked in India) to the Registrar at the following address:

CAMEO CORPORATE SERVICES LIMITED
"Subramanian Building", No. 1, Club House Road,
Chennai - 600 002, Tamil Nadu, India
Tel: 044 4002 0700 / 2846 0390
E-mail: rights@cameoindia.com
Investor Grievance ID: investor@cameoindia.com
Website: www.cameoindia.com
Contact person: Ms. K. Sreepriya
SEBI Registration No.: INR000003753
CIN: U67120TN1998PLC041613

In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (<https://rights.cameoindia.com/hindware>). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 044-40020700.

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors
<https://rights.cameoindia.com/hindware>
- b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: <https://rights.cameoindia.com/hindware>
- c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form:
<https://rights.cameoindia.com/hindware>
- d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: <https://rights.cameoindia.com/hindware>

This Issue will remain open for a minimum seven days. However, our Board or the Right Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights securities to non-resident shareholders including additional rights securities. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. This Draft Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter and Application Form shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board/ Right Issue Committee may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements and Rights Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. the Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with SEBI and the Stock Exchanges.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates or the Lead Manager or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Draft Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act to Eligible Equity Shareholders located in jurisdictions where such offer and sale is permitted under the laws of such jurisdictions. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit this Draft letter of offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in offshore transactions in reliance on Regulation S.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of this Draft Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “**purchaser**”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “**directed selling efforts**” in the United States (as such term is defined in Regulation S under the U.S. Securities Act).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
12. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.
13. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.
14. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Draft Letter of Offer with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
15. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
16. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
17. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary;

(ii) will have carefully read and reviewed a copy of this Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Draft Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

18. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited, and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates, the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
19. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) neither the Lead Manager nor any of their affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by the Lead Manager or any of its affiliates.
20. The purchaser will not hold our Company, the Lead Manager or its affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.
21. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from their engagement with our Company and in connection with this Issue.
22. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Draft Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.
23. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule 904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.
24. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.

25. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company or the Lead Manager with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
26. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.
27. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.
28. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.
29. The purchaser shall hold our Company and the Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Draft Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.
30. The purchaser acknowledges that our Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SECTION X: STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding PAN in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Corporate Office between 11 a.m. and 4 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date or the material contracts shall be made available for inspection through online means. Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to investors@hindwarehomes.com.

A. Material Contracts to the Issue

1. Issuer Agreement dated September 13, 2024 entered into among the Company and the Lead Manager.
2. Registrar Agreement dated September 20, 2024 entered into among the Company and the Registrar to the Issue.
3. Banker to the Issue Agreement dated [●] among the Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.
4. Monitoring Agency Agreement dated [●], 2024, between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of the Company as amended.
2. Certificate of incorporation dated September 28, 2017 issue by the Central Registration Centre, Registrar of Companies upon incorporation of the Company.
3. Certificate of incorporation dated May 23, 2022 issued by the Registrar of Companies, Kolkata, upon change in name of the Company from “*Somany Home Innovation Limited*” to “*Hindware Home Innovation Limited*”.
4. Order of Hon’ble NCLT, Kolkata Bench dated June 26, 2019 approving the Scheme of Arrangement under Section 230 and Section 232, respectively, of the Companies Act, 2013.
5. Valuation report dated December 11, 2017 determining fair share entitlement ratio for the Scheme of arrangement which was approved by Hon’ble NCLT, Kolkata Bench vide the order dated June 26, 2019.
6. Business Transfer Agreement dated February 04, 2022 entered into between AGI Greenpac Limited and Hindware Limited.
7. Valuation report dated January 07, 2022 for the valuation of Building Division of AGI Greenpac Limited as transferred vide Business Transfer Agreement dated February 04, 2022, entered into between AGI Greenpac Limited and Hindware Limited.
8. Resolution of our Board of Directors dated August 09, 2024 and September 02, 2024 in relation to this Issue and other related matters.
9. Resolution of the Board of Directors / Rights Issue Committee dated [●] in relation to the terms of the Issue including the Record Date, Issue Price and Rights Entitlement ratio.
10. Resolution of the Rights Issue Committee dated September 25, 2024 approving and adopting the Draft Letter of Offer.

11. Resolution of the Board of Directors/ Rights Issue Committee dated [●] approving and adopting the Letter of Offer.
12. Consents of Directors, Company Secretary & Compliance Officer, Chief Executive Officer & Chief Financial Officer, Banker to the Issue, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue and Registrar & Share Transfer Agent to include their names in the Draft Letter of Offer to act in their respective capacities.
13. Consent letter dated September 12, 2024, from our Statutory Auditors, Lodha & Co LLP, Chartered Accountants, to include their name in this Draft Letter of Offer, as an “expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of and inclusion of (i) their audit report dated May 28, 2024, in respect of the Audited Consolidated Financial Statements, as applicable; (ii) their review report dated August 09, 2024, in respect of the Unaudited Standalone and Consolidated Financial Statements, as applicable; and (iii) the statement of possible special tax benefits available to our Company and its shareholders dated September 23, 2024, and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term “expert” and “consent” does not represent an “expert” or “consent” within the meaning under the U.S. Securities Act.
14. Annual Reports of the Company for Fiscal Year 2024, 2023, 2022, 2021 and 2020.
15. Statement of Possible Special Tax Benefits from Statutory Auditor of the Company dated September 23, 2024.
16. Due Diligence Certificate dated [●] addressed to SEBI from the Lead Manager.
17. In-principle listing approvals dated [●] and [●] issued by BSE and NSE, respectively.
18. Tripartite agreement dated February 01, 2019 amongst our Company, NSDL and the Registrar and Share Transfer Agent.
19. Tripartite agreement dated August 14, 2019 amongst our Company, CDSL and the Registrar and Share Transfer Agent.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Sandip Somany

Chairman and Non-Executive Director

Date: September 25, 2024

Place: Gurugram, Haryana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Girdhari Lal Sultania

Non-Executive Director

Date: September 25, 2024

Place: Kolkata, West Bengal

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Nand Gopal Khaitan

Non-Executive Independent Director

Date: September 25, 2024

Place: Kolkata, West Bengal

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Ashok Jaipuria

Non-Executive Independent Director

Date: September 25, 2024

Place: New Delhi, India

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Salil Kumar Bhandari

Non-Executive Independent Director

Date: September 25, 2024

Place: United Kingdom

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Anisha Motwani

Non-Executive Independent Director

Date: September 25, 2024

Place: Gurugram, Haryana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Naveen Malik

Chief Executive Officer & Chief Financial Officer

Date: September 25, 2024

Place: Kolkata, West Bengal

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

Sd/-

Payal M Puri

Company Secretary & Compliance Officer

Date: September 25, 2024

Place: Kolkata, West Bengal