

Date: 24th January, 2022

Surveillance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Rotunda, Dalal Street
Mumbai - 400 001

Sub: Clarification on Price Movement

Dear Sir/Madam,

With respect to the captioned subject and your e-mail dated 20th January, 2022, we would like to inform you that the Company vide its intimation dated 15th January, 2022 had informed the stock exchanges that the Board of Directors of the Company approved the transfer of its BPD Undertaking (*as defined in the intimation letter dated 15th January, 2022, which is attached herewith as Annexure A*) to Brilloca Limited, on a slump sale basis, for a lump sum consideration of INR 630.00 crore (Rupees Six Hundred and Thirty crore only), subject to customary closing date adjustments. The aforesaid slump sale would be conditional upon satisfactory fulfilment of respective conditions precedent by the Company and Brilloca Limited, including receipt of the approval of the shareholders of the Company for undertaking the said slump sale.

We would like to clarify that the movement in the price of equity shares of the Company is caused after filing of the aforesaid intimation with the stock exchanges.

The Company believes in transparent and timely dissemination of any price sensitive information in accordance with applicable Rules, Regulations and Guidelines.

You are requested to take the above information on record.

For **HSIL LIMITED**



(Pulkit Bhasin)
Company Secretary

Name: Pulkit Bhasin
Address: 301-302, 3rd Floor, Park Centra, Sector-30, Gurugram-122001
Membership No.: 27686

HSIL Limited

Corporate Office: 301-302, 3rd Floor, Park Centra, Sector-30, NH 8, Gurugram, Haryana-122 001, India. T. +91 124 477 9200

Registered Office: 2, Red Cross Place, Kolkata-700001, West Bengal, India. T. +91 33-22487407/5668

hsilinvestors@hsilgroup.com | www.hsilgroup.com | CIN: L51433WB1960PLC024539



15th January, 2022

Listing Department,
National Stock Exchange of India Limited
 Exchange Plaza, Plot C-1, Block G,
 Bandra Kurla Complex,
 Bandra (E),
 MUMBAI - 400 051
 Symbol: HSIL

Listing Department
BSE Limited
 25th Floor,
 Phiroze Jeejeebhoy Towers
 Dalal Street
 MUMBAI - 400 001
 Scrip Code: 500187

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t. slump sale of its business of manufacturing of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings, ("BPD Undertaking") from HSIL Ltd. to Brilloca Ltd.

Dear Sir / Ma'am,

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 ("September 9, 2015, Circular"), we hereby inform the stock exchanges that the Board of the Company has, at its meeting held today, approved the transfer of its business of manufacturing, on contract basis, of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings ("**BPD Undertaking**"), to Brilloca Limited ("**Brilloca**"), on a slump sale basis, for a lump sum consideration of INR 630.00 crore (Rupees Six Hundred and Thirty crore only), subject to customary closing date adjustments.

The BPD Undertaking of HSIL broadly comprises of two sanitaryware manufacturing plants and one manufacturing plant each for faucets and plastic pipes (PVC and CPVC) and fittings.

The details required under Regulation 30 of the Listing Regulations read with the September 9, 2015 Circular is enclosed as "**Annexure A**". Also enclosed is a press note that is being released for this transaction.

The aforesaid slump sale would be conditional upon satisfactory fulfillment of respective conditions precedent by the Company and Brilloca, including receipt of the approval of the shareholders of the Company for undertaking the said slump sale.

This is for your information and records.

Thanking you,

For **HSIL LIMITED**



(Pulkit Bhasin)
Company Secretary

Name: Pulkit Bhasin
Address: 301-302, 3rd Floor, Park Centra, Sector-30, NH-8, Gurugram-122001
Membership No.: 27686

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Annexure A

SI.No.	Particulars	Details
1	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	<p>Revenue from Operations of BPD Undertaking was Rs. 592.70 crore, representing around 31.9% of overall Revenue from Operations of Rs. 1852.59 crore of HSIL Limited for FY 2020-21.</p> <p>The Net Worth of BPD Undertaking, as of 31st March 2021, was around Rs. 475 crores, representing around 38.5% of the overall Net Worth Rs. 1233.56 crore of HSIL Limited.</p>
2	Date on which the agreement for sale has been entered into	Yet to be executed.
3	Expected date of completion of sale /disposal	<p>The transaction is subject to the satisfactory completion of the conditions precedent by the parties (including receipt of approval of the shareholders, lenders, and other necessary approvals required for the slump sale) in accordance with the provisions of the business transfer agreement to be executed.</p> <p>The transaction is expected to be completed by March 31, 2022, or any other date as mutually agreed between HSIL and Brilloca.</p>
4	Consideration received from such sale/ disposal	<p>HSIL proposes to transfer the business of manufacturing, on contract basis, 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, employees, contracts (including lease deeds), intellectual property and other intangible assets, licenses, permits, consents, approvals, inventory and insurance policies ("BPD Undertaking"), to Brilloca Limited, for a lump sum consideration of INR 630,00,00,000 (Rupees Six Hundred and Thirty Crores only), subject to customary closing date adjustments to the sale consideration in respect of any additional assets & liabilities, net debt, working capital, etc. and payable in the manner as may be agreed between the Company and Brilloca in the business transfer agreement to be executed between them.</p> <p>The BPD Undertaking, among other things, will include</p>

For HSIL LIMITED

 COMPANY SECRETARY

		<p>the following assets:</p> <p>(a) plant & machinery and other assets relating to sanitaryware manufacturing plant at Bahadurgarh, in the State of Haryana,</p> <p>(b) plant & machinery and other assets relating to pipes and fittings manufacturing plant at Isnapur, in the State of Telangana,</p> <p>(c) land admeasuring 59.50 acres, along with the building and plant & machinery situated thereon, for the sanitaryware manufacturing plant at Bibinagar, in the State of Telangana, and</p> <p>(d) leasehold land, along with the building, plant & machinery situated thereon, and other assets relating to faucet manufacturing plant, at Kaharani, in the State of Rajasthan.</p> <p>The BPD Undertaking excludes, (a) the land (and the buildings thereon) underlying the sanitaryware manufacturing plant at Bahadurgarh, in the State of Haryana, (b) the land (and the buildings thereon) underlying the pipes and fittings manufacturing plant at Isnapur, in the State of Telangana, (c) approximately 22 acres of vacant land situated at Bibinagar, in the State of Telangana; and (d) the other undertakings and remaining businesses of the Company, other than the BPD Undertaking.</p>
5	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/ group companies	<p>Brilloca Limited, a wholly owned subsidiary of Somany Home Innovation Limited is primarily engaged in the marketing and distribution of Building Products like sanitaryware, faucets, UPVC and CPVC pipes, fittings, etc.</p> <p>The Company and SHIL have common promoters holding more than 50% of equity share capital in both Company and SHIL.</p>
6	Details of whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”	<p>Yes, Brilloca Limited is a related party of the Company in terms of Section 2(76) of the Companies Act, 2013 and Regulation 2(zc) of the Listing Regulations.</p> <p>The consideration for the sale of BPD Undertaking by HSIL to Brilloca is mutually negotiated between Brilloca</p>

For HSIL LIMITED

 COMPANY SECRETARY

		and HSIL in line with the recommendations of the report by an independent valuer and has been approved by the Audit Committee of HSIL Limited and the Boards of the respective companies. The transaction is being undertaken on an arm's length basis.
7	Indicative disclosures provided for amalgamation/ merger with respect to the slump sale	The transfer is being undertaken through a business transfer agreement to be executed between the Company and Brillloca. Since there is no underlying amalgamation or merger in the transaction, this disclosure under point (7) is not applicable.

This is for your reference and record.

For HSIL LIMITED



(Pulkit Bhasin)
Company Secretary

Name: Pulkit Bhasin
Address: 301-302, 3rd Floor, Park Centra, Sector-30, NH-8, Gurugram-122001
Membership No.: 27686

HSIL Limited

NSE: HSIL; BSE: 500187

HSIL transforms to a focused Packaging Company with the Divestment of Building Products Division for a Cash Consideration of ₹630 Crore

Gurugram, India, January 15, 2022: HSIL Limited (“HSIL”), India’s leading packaging company, in its Board meeting held today approved the divestment of its Building Products division to Brilloca Limited (“Brilloca”), a wholly owned subsidiary of Somany Home Innovation Limited (“SHIL”) in a slump sale transaction for a cash consideration of ₹630 crore. With the proposed transaction, the Building Products division’s entire operating facilities of HSIL will be transferred to Brilloca.

- Cash proceeds of ₹630 crore will be utilized towards the pre-payment of existing bank borrowings which will further strengthen the HSIL balance sheet and create capital to further expand its packaging business
- Going forward, HSIL will completely focus on the expansion of its packaging business and capitalize on both organic and inorganic opportunities
- E&Y acted as the structuring advisor and Deloitte as the independent valuer
- The transaction is subject to shareholder and other statutory approvals as applicable. The transaction is expected to close by 31st March 2022 or such date as mutually agreed between HSIL and Brilloca

Commenting on the transaction, **Dr. Rajendra Kumar Somany, Chairman and Managing Director, HSIL:** *“This transaction will have a transformative impact on the market positing and growth prospects of HSIL. The company will emerge as a focused packaging company, well-positioned to implement its strategic plans to drive the packaging business and continue to unlock value for all stakeholders. The cash proceeds will be used to pre-pay existing bank borrowings and increase cash reserves.”*

About HSIL Limited:

HSIL Limited is India’s leading Packaging Products Company that manufactures and markets various packaging products, including glass containers and Polyethylene Terephthalate (PET) bottles, products & security caps, and closures. Packaging Products Division has six plants in India, located across Telangana, Uttarakhand, and Karnataka. This Division has a comprehensive product range, catering to 500+ globally acclaimed institutional clients in India.

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Safe Harbour:

This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to HSIL Limited’s future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. HSIL Limited undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.