


## RATIONALE BEHIND THE SCHEME

The rationale behind the Composite Scheme of Arrangement (“**Scheme**”) between HSIL Limited (“**Company**”), Hindware Home Retail Private Limited (“**HHRPL**”) and their shareholders and creditors is, *inter alia*, as follows:

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

For HSIL Limited

  
Payal M Puri  
(Company Secretary)

17/08/2016

For HSIL LIMITED

  
COMPANY SECRETARY

CERTIFIED TRUE COPY

### HSIL Limited

(An ISO 9001:2008 / OHSAS 18001 Certified Company)

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