

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: SHIL

Listing Department
BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 400 001
Scrip Code: 542905

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.r.t. acquisition of business undertaking by Brilloca Limited, a wholly owned subsidiary of the Company, on a slump sale basis

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, at its meeting held today, has taken note of the approval granted by the board of directors of Brilloca Ltd., a wholly owned subsidiary of the Company ("Brilloca"), for the acquisition of the building products manufacturing undertaking of HSIL Limited ("HSIL"), on a slump sale basis.

The building products manufacturing undertaking being acquired from 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 are enclosed as "**Annexure A**". Further, the intimation shared by Brilloca with the Company, in relation to the proposed acquisition of the BPD Undertaking of HSIL, is enclosed as "**Annexure B**".

Also enclosed is a press note that is being released for this transaction.

The aforesaid slump sale transaction is subject to necessary approvals and would be conditional upon satisfactory fulfilment of respective conditions precedent by Brilloca and HSIL.

This is for your information and records.

Thanking you,
For Somany Home Innovation Limited



(Payal M Puri)
Company Secretary and V. P. Group General Counsel

Name: Payal M Puri
Address: 301-302, 3rd Floor, Park Centra, Sector-30, NH-8, Gurugram-122001
Membership No.: 16068

Annexure A

Sl. No.	Particulars	Details
1	Name of the target entity, details in brief such as size, turnover etc.	<p>Brilloca Ltd., a wholly owned subsidiary of Somany Home Innovation Limited (“Company” or “SHIL”) is acquiring HSIL Limited’s 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”).</p> <p>The BPD Undertaking, among other things, will include the following assets:</p> <ol style="list-style-type: none"> Plant & machinery and other assets relating to sanitaryware manufacturing plant at Bahadurgarh, in the State of Haryana Plant & machinery and other assets relating to pipes and fittings manufacturing plant at Isnapur, in the State of Telangana Land measuring around 59.50 acres, along with the building and plant & machinery situated thereon, for the sanitaryware manufacturing plant at Bibinagar, in the State of Telangana 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>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; (d) the other undertakings and the remaining</p>

For Somany Home Innovation Limited

 Company Secretary

Somany Home Innovation Limited

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

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		<p>businesses of the Company, other than the BPD Undertaking.</p> <p>The turnover of the BPD Undertaking of HSIL, as disclosed by HSIL in segmental reporting for FY 2020-21, was Rs 592.70 crore.</p>
2	<p>Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”</p>	<p>Yes, HSIL Limited is a related party of Brilloca Limited in terms of Section 2(76) of the Companies Act, 2013 and Regulation 2(zc) of the Listing Regulations, the said transaction would be a related party transaction as between HSIL and Brilloca. However, it is clarified that the Company is not a party to the transaction and is therefore not a related party transaction for the Company.</p> <p>The consideration for the sale of BPD Undertaking by HSIL to Brilloca is mutually negotiated between Brilloca 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 Board of the Company (being the parent company of Brilloca) has also taken note of the transaction.</p> <p>The transaction is being undertaken on an arm’s length basis.</p>
3	<p>Industry to which the entity being acquired belongs</p>	<p>BPD Undertaking falls in the manufacturing industry, involved in manufacturing of sanitaryware, faucets and plastic pipes (PVC and CPVC) and fittings.</p>
4	<p>Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)</p>	<p>Brilloca is primarily engaged in the Marketing and Distribution of Building Products like sanitaryware, faucets, UPVC, and CPVC pipes, fittings, etc.</p> <p>It is considered prudent for Brilloca Limited to acquire the BPD Undertaking from HSIL Limited at fair value to meet the following objectives:</p> <ul style="list-style-type: none"> Secure control over manufacturing processes will provide enhanced flexibility to the management to align its product placement with the evolving customer needs, strengthening its competitive position and significantly reducing Brilloca’s dependence on third party vendors

For Somany Home Innovation Limited
fair
 Company Secretary

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		<ul style="list-style-type: none"> Given Brilloca's strong financial position and cash availability, the Company is optimally positioned to augment its manufacturing processes and technologies The backward integration will provide synergies in operations, resulting in better efficiencies The transaction will help integrate the entire value chain into a single entity, thereby minimising related party transactions and reducing compliance and administrative costs
5	Brief details of any governmental or regulatory approvals required for the acquisition	No governmental or regulatory approvals are required to be obtained.
6	Indicative time period for completion of the acquisition	Subject to the satisfactory completion of the conditions precedent by HSIL and Brilloca (including receipt of approval of the shareholders, lenders, and other necessary approvals required for the slump sale) in accordance with the other provisions of the business transfer agreement to be executed between HSIL and Brilloca ("BTA"), the closing date of the transaction is expected on or before 31 st March 2022 or such other date as may be mutually agreed between HSIL and Brilloca.
7	Nature of consideration – whether cash consideration or share swap and details of the same	The entire consideration will be discharged by Brilloca only in cash.
8	Cost of acquisition or the price at which the shares are acquired	It is proposed that the BPD Undertaking will be acquired by Brilloca for lump sum cash consideration of Rs. 630.00 crore (Rupees Six Hundred and Thirty crore only) (which is mutually negotiated between Brilloca and HSIL in line with the recommendations of the report by an independent valuer), subject

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		to certain customary closing date adjustments to be set out in the BTA and to be paid in the manner as may be agreed between Brilloca and HSIL.
9	Percentage of shareholding/ control acquired and/ or number of shares acquired	Not applicable since the transaction is by way of acquisition of the BPD Undertaking of HSIL by Brilloca by way of slump sale under a BTA to be executed between HSIL and Brilloca.
10	Brief background about the entity acquired in terms of products line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	Not applicable since the transaction is by way of acquisition of the BPD Undertaking of HSIL by Brilloca by way of slump sale under a BTA to be executed between HSIL and Brilloca.
11	Percentage of shareholding / control acquired and 1 or number of shares acquired	Not applicable since the transaction is by way of acquisition of the BPD Undertaking of HSIL by Brilloca by way of slump sale under a BTA to be executed between HSIL and Brilloca.

This is for your reference and record.

Thanking you,

For Somany Home Innovation Limited



(Payal M Puri)

Company Secretary and V. P. Group General Counsel

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15th January, 2022

Mr. Sandip Somany
Chairman
Somany Home Innovation Limited
2, Red Cross Place, Kolkata
West Bengal-700001

Sub: Approval for acquisition of the undertaking comprising the Building Products Division (Manufacturing Business) from HSIL Limited on a slump sale basis

Dear Sir,

With reference to the captioned subject, we would like to inform you that the Board of Directors of the Company, in its meeting held on 15th January, 2022, has approved the acquisition of the business undertaking of the HSIL Limited (“HSIL”) that is engaged in 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, for a lump sum consideration of INR 630,00,00,000/- (Rupees Six Hundred and Thirty Crores only) which amount has been mutually negotiated between the Company and HSIL (based on the recommendations in the valuation report issued by an independent valuer), subject to customary closing date adjustments and on such other terms as set out in the business transfer agreement to be executed between the Company and HSIL.

In this regard, we hereby request you to make relevant disclosures with the stock exchanges regarding the above information, as may be required under the applicable laws.

Thanking you,

For and on behalf of **Brilloca Limited**



(Payal M Puri)

Company Secretary and V.P. Group General Counsel

Brilloca Limited

(An ISO 9001:2015 & OHSAS 18001 Certified Company)

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Brilloca to purchase Building Products Manufacturing Business from HSIL for ₹630 crore

Gurugram –15th January 2022: Brilloca Ltd., a wholly owned subsidiary of Somany Home Innovation Ltd., the fastest growing player in the Consumer Appliances space and a leader in the Building Products segment proposes to purchase the building products manufacturing business of HSIL in a slump sale for a cash consideration of ₹630 crore. As a result, Brilloca Ltd, which is currently engaged in the marketing and distribution of building products (sanitaryware, faucets, plastic pipes, and fittings), will be backward integrated and have better control over the entire value chain, from manufacturing to after-sales. EY was appointed as independent valuation advisor for the transaction and AZB was the legal advisor.

Over the last few years, Brilloca has delivered rapid growth and the operating circumstances have also changed where it has become imperative for the company to have significant control over the entire value chain, including manufacturing, supply chain, etc. to drive sustained sector outperformance in the future. With the emerging market scenario, a refreshed strategy has been undertaken to include critical manufacturing. This will also enable the Company to make agile decisions for enhanced market serviceability, achieve greater business security, and drive strong profitable growth going forward.

The key benefits for SHIL from the proposed transaction are:

- Secure control over manufacturing processes will provide enhanced flexibility to the management to align its product placement with the evolving customer needs, strengthening its competitive position and significantly reducing Brilloca's dependence on third party vendors
- Given Brilloca's strong financial position and cash availability, the Company is optimally positioned to augment its manufacturing processes and technologies
- The backward integration will provide synergies in operations, resulting in better efficiencies
- The transaction will help integrate the entire value chain into a single entity, thereby minimising related party transactions and reducing compliance and administrative costs

Mr. Sandip Somany, Chairman and Non-Executive Director of SHIL said, *"We always had forward looking strategies, and changed operating circumstances means refreshed initiatives. Towards that end, this acquisition is a perfect fit from Brilloca's standpoint for secure, sustained, and accelerated business performance. With this initiative, we will further consolidate our market standing across segments including sanitaryware, faucets, and plastic pipes and fittings, where we have been demonstrating superior sectoral growth over the last six quarters. Our appetite for growth remains undiminished and*

we look forward to continuing implementing initiatives that create incremental and sustained value in times to come.”

This transaction has been structured to provide both immediate benefits and future flexibility to SHIL to pursue its growth aspirations. As a part of this transaction, the entire operating facilities of HSIL relating to Building Products i.e. sanitaryware, faucets, plastic pipes, and fittings will be transferred to Brilloca.

About Us:

Somany Home Innovation Limited (SHIL), vastly recognised by its Brand Hindware, is the fastest growing player in the Indian Consumer Appliances and a leader in the Building Products segment. SHIL is focused on servicing end-consumers and is involved in manufacturing, branding, marketing, sales & distribution, and service of various products categories.

The Consumer Appliances business consists of a selection of household appliances such as kitchen appliances: kitchen chimneys, cooker hoods, built-in hobs, cooktops, built-in ovens, sinks under the brand Hindware Kitchen Ensemble are leaders in numerous categories. The brand Moonbow by Hindware houses water and air purifiers. The company sells air coolers and ceiling fans under the brand Hindware Snowcrest. SHIL also has strategic marketing tie-ups with some of the most prominent companies such as Groupe Atlantic in the water heaters segment and the Italian company, Formenti & Giovenzana in the furniture and kitchen fittings segment.

Hintastica Private Limited will be a joint venture between SHIL and Groupe Atlantic housing the manufacturing, marketing, and distribution of the water heater business under the brand Hindware Atlantic.

SHIL through its wholly owned subsidiary, Brilloca Limited has a versatile range of best-in-class sanitaryware and faucets products with brands catering to a wide pricing spectrum, from luxury to mass. The company has a growing presence in the Plastic pipes and fittings business under the brand ‘Truflo by Hindware’, one of the fastest growing brands in the country in this segment. Recently, ‘Truflo by Hindware’ has also forayed into overhead water storage tanks and column pipes. Under the brand Neom, Brilloca Limited has a presence in the super-premium and premium tiles market.

For further information on the Company, please visit www.shilgroup.com

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