

BRILLOCA LIMITED

Regd. Office: 2, Red Cross Place, Kolkata-700 001

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Phone No. +91-33-22487407/5668

NOTICE OF 4TH EXTRA ORDINARY GENERAL MEETING

[Pursuant to Section 101, Section 102 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014]

Dear Members,

NOTICE is hereby given, pursuant to the provisions of Section 101, Section 102 and other applicable provisions, if any, of the Companies Act, 2013, as amended (the "**Companies Act**"), read with Rule 18 of the Companies (Management and Administration) Rules 2014, Secretarial Standards issued by the Institute of Company Secretaries of India on General Meetings ("**SS-2**") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and other applicable laws and regulations, if any, and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs ("**MCA**") that an 4th Extraordinary General Meeting of the members of Brilloca Limited ("**Company**"), will be held on Monday, 21st day of February, 2022 at 11.00 A.M. at the registered office of the Company situated at 2, Red Cross Place, Kolkata – 700001, West Bengal to transact the following business:

ORDINARY BUSINESS

Resolution No. 1

Approval of related party transactions to be undertaken with HSIL Limited

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("**Act**") and any other applicable provisions of the Act, read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014, and other applicable rules, if any, and enabling provisions of the Memorandum and Articles of Association of the Company and any other law for the time being in force and such other approvals as may be required under applicable laws, consent of the shareholders of the Company be and is hereby accorded to (a) acquire the undertaking of HSIL Limited, which 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 ("**BPD Undertaking**"), as a going concern, on a slump sale basis as defined in Section 2(42C) of the Income-tax Act, 1961, without values being assigned to the individual assets and liabilities, along with the goodwill associated with it, by executing a business transfer agreement ("**BTA**") and other ancillary agreements, for a lump sum consideration of INR 630,00,00,000 (Rupees Six Hundred Thirty Crores only), which has been mutually negotiated between the Company and HSIL based on the recommendations in the valuation report issued by Ernst & Young Merchant Banking Services LLP, an independent valuer, which purchase consideration is subject to certain customary closing date adjustments and payable in the manner as may be agreed between the Company and HSIL and set out in the BTA, on such terms and conditions and with effect from such date, as may be approved by the Board; and (b) taking on long-term lease from HSIL (as the lessor) lands and buildings owned by HSIL situated at (i) Bahadurgarh, Haryana (underlying the sanitaryware manufacturing plant pertaining to the BPD Undertaking); and (ii) Isnapur, Telangana (underlying the pipes and fittings manufacturing plant

pertaining to the BPD Undertaking), provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising and varying the terms and conditions to acquire the BPD Undertaking, the consideration therefor, the methods and modes in respect thereof, and finalising, modifying and executing necessary documents, including the BTA, the lease deeds, contracts, agreements, deeds of assignment/conveyance and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including governmental authorities if required, and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any questions, difficulties or doubts that may arise in this regard and incidental thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any committee of Directors or any one or more Directors of the Company or Chief Financial Officer or Company Secretary or any other officer(s)/ authorised representative(s) of the Company to give effect to the aforesaid resolution.

By Order of the Board of Directors

For **Brilloca Limited**


Payal M Puri
Company Secretary & V.P. Group General Counsel



Place: Gurugram
Date: 15.01.2022

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS / HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A proxy should be sent in the form enclosed and in order to be effective must reach the registered office of the Company at least **FORTY EIGHT HOURS** before the scheduled time of the meeting.
2. A proxy shall not have the right to speak and shall not be entitled to vote except on a poll.
3. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person / shareholder.
4. Members are requested to carry the Attendance slip as attached in the Notice.
5. Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the business item No. 1 set out above is annexed hereto.
6. Documents, if any, referred to in the Notice may be inspected at the Registered Office of the Company on any working day prior to the date of meeting during 3:00 p.m. and 5:00 p.m. and will also be available at the meeting.
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the said Meeting.
8. A route map of the venue of EOGM is attached herewith.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013 READ WITH THE RELEVANT RULES

Resolution No. 1

Approval of related party transactions to be undertaken with HSIL Limited

The Company is primarily engaged in marketing and distribution of building products like sanitaryware, faucets, UPVC and CPVC pipes, fittings, etc., whereas manufacturing of the said building products is held with HSIL Limited ("**HSIL**").

It is considered prudent for the Company to acquire the BPD Undertaking (*as defined herein below*) from HSIL at fair value to meet the following objectives:

- The Company currently is entirely dependent on third party vendors and the acquisition will reduce dependence on third party vendors to a large extent.
- Creation of an investor friendly structure by integrating entire value chain in a single entity and minimising related party transactions.
- Given the financial strength of the Company, manufacturing processes and technologies can be upgraded and expanded to enable faster roll out of products in the marketplace. Therefore, the current acquisition provides a platform which can be built upon.
- Provide flexibility to the management to align its manufacturing process in accordance with the fast and ever-changing customer needs and thereby enable it to better compete in the marketplace.
- Backward integration will also provide synergies in the operations and, therefore, resulting into better efficiencies.
- Reduction in compliance and administrative burden for the management with respect to the related party transactions under Indian regulatory framework.

In light of the above, the Board, in its meeting held on January 15, 2022, has approved, subject to approval of the shareholders, the acquisition of the business undertaking of 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 ("**BPD Undertaking**"), for a lump sum consideration of INR 630,00,00,000/- (Rupees Six Hundred and Thirty Crores only) which has been mutually negotiated between the Company and HSIL (based on the recommendations in the valuation report issued by an independent valuer). The aforementioned purchase consideration is subject to certain customary closing date adjustments to be set out in the business transfer agreement to be executed between the Company and HSIL ("**BTA**") and payable in the manner as may be agreed between the Company and HSIL in the BTA. The BPD Undertaking is being acquired on a going concern basis by way of a slump sale, without values being assigned to the individual assets and liabilities, in accordance with the provisions of Section 50B read with Section 2(42C) of the Income-tax Act, 1961, and on such other terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board may deem fit and appropriate in the interest of the Company ("**Proposed Transaction**").

The BPD Undertaking, among other things, will include the following assets:

- (a) plant & machinery and other assets relating to sanitaryware manufacturing plant at Bahadurgarh, in the State of Haryana,
- (b) plant & machinery and other assets relating to pipes and fittings manufacturing plant at Isnapur, in the State of Telangana,
- (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
- (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.

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 businesses of the Company, other than the BPD Undertaking.

Further, the faucet manufacturing plant of HSIL, situated at Plot No. G-470-471, RIICO Industrial Area, Bhiwadi, in the State of Rajasthan, which has been shut down since the year 2014, will not be transferred to the Company as a part of the BPD Undertaking.

The aforesaid proposal to acquire the BPD Undertaking from HSIL, a related party within the meaning of Section 2(76) of the Companies Act, 2013 (“Act”), as a going concern on a 'slump sale' will qualify as a material related party transaction as the amount involved exceeds the limits prescribed in Section 188 of the Act and is not in the ordinary course of business. Therefore, the same requires prior approval of the shareholders of the Company.

Further, pursuant to the aforesaid acquisition of BPD Undertaking, the Company will be required to execute long term lease agreements with HSIL for taking on lease of the lands and buildings owned by HSIL situated at Bahadurgarh, State of Haryana (on which one of the sanitaryware manufacturing plants is situated) and Isnapur, State of Telangana (on which the pipes and fittings manufacturing plant is situated) on the terms and conditions as set out in the said lease agreement.

Accordingly, approval of the members is sought to undertake the following related party transactions:

- (a) Approval for acquisition of the BPD Undertaking of HSIL, as a related party transaction, under the provisions of the Act; and
- (b) Approval for the execution of long-term lease deeds with HSIL, for taking on lease the Isnapur Land and Buildings and Bahadurgarh Land and Buildings, as a related party transaction, under the provisions of the Act.

The Board of Directors in its meeting held on January 15, 2022 considered and approved the aforesaid related party transactions.

The aforesaid related party transactions will be in conformity with all the applicable laws and regulations. The Company will be executing the relevant ancillary, incidental and related documents, agreements, letters, deeds, papers etc. necessary to give effect to the said related party transactions.

Pursuant to Rule 15 of the Companies (Meeting of Boards and its Powers) Rules, 2014, as amended till date, particulars of the proposed acquisition of the BPD Undertaking of HSIL are as follows:

Sl. No.	Particulars	Details
1.	Name of the Related Party	HSIL Limited (“HSIL”)
2.	Name of the director or key managerial personnel who is related, if any	Mr. Sandip Somany Mr. Girdhari Lal Sultania
3.	Nature of relationship	The Company and HSIL have common directors and holding along with their relatives more than 2% of the paid-up share capital of HSIL. Therefore, HSIL is a related party of the Company.
4.	Nature, material terms, monetary value and particulars of the contracts or arrangements	The Proposed Transaction involves acquisition of the undertaking of HSIL (related party) engaged in 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, employees, contracts (including lease deeds), intellectual property and other intangible assets, licenses, permits, consents, approvals, inventory and insurance policies (“ BPD Undertaking ”), which , among other things, will include the following assets: (a) plant & machinery and other assets relating to sanitaryware manufacturing plant at Bahadurgarh, in the State of Haryana, (b) plant & machinery and other assets relating to pipes and fittings manufacturing plant at Isnapur, in the State of Telangana, (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 (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 and will exclude the HSIL’s (a) land (and the buildings constructed thereon) underlying the sanitaryware manufacturing plant at Bahadurgarh, in the State of Haryana, (b) land (and the buildings constructed 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) other undertakings and the remaining businesses, other than the BPD Undertaking, to be set in more detail in the business transfer agreement (“ BTA ”), as a going concern on a 'slump sale basis', for a lump sum consideration of INR 630,00,00,000.00 (Rupees Six Hundred Thirty Crore only) and payable in accordance with the terms of the BTA which consideration has been mutually negotiated between the Company and HSIL based on the recommendations in the valuation report issued Ernst & Young Merchant Banking Services LLP, an independent valuer, which purchase consideration is subject to certain customary closing date adjustments and payable in the manner as may be agreed between the Company and HSIL and set out in the BTA, on such terms and conditions and with effect from such date, as may be

		approved by the Board (" Purchase Consideration ").
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	The transaction will be at arm's length basis and the Purchase Consideration has been mutually negotiated between the parties in line with the recommendations contained in the valuation report obtained from Ernst & Young Merchant Banking Services LLP, an independent valuer.

Pursuant to Rule 15 of the Companies (Meeting of Boards and its Powers) Rules, 2014, as amended till date, particulars of the lease proposed to be entered into by the Company and HSIL in respect of the Isnapur Land and Building and Bahadurgarh Land and Buildings are as follows:

Sl. No.	Particulars	Details
1.	Name of the Related Party	HSIL Limited (" HSIL ")
2.	Name of the director or key managerial personnel who is related, if any	Mr. Sandip Somany Mr. Girdhari Lal Sultania
3.	Nature of relationship	The Company and HSIL have common directors and holding along with their relatives more than 2% of the paid-up share capital of HSIL. Therefore, HSIL is a related party of the Company.
4.	Nature, material terms, monetary value and particulars of the contracts or arrangements	<u>Lease Deed for the Isnapur Land and Buildings</u> The transaction involves long-term leasing of the land and buildings owned by HSIL, situated at Isnapur, Telangana, on which the pipes and fittings manufacturing plant is situated, to the Company, at the rentals set out in the tabulation below. The lease will be for an initial period of 9 years and 11 months, extendable by the parties for further periods, on such terms and conditions, as may be mutually agreed between the Company and HSIL. <u>Lease Deed for the Bahadurgarh Land and Buildings</u> The transaction involves long-term leasing of the land and buildings owned by HSIL, situated at Bahadurgarh, State of Haryana, on which the sanitaryware manufacturing plant is situated, to the Company, at the rentals set out in the tabulation below. The lease will be for an initial period of 9 years and 11 months, extendable by the parties for further periods, on such terms and conditions, as may be mutually agreed between the Company and HSIL.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	In case of sale of underlying land and buildings by HSIL, during the term of the respective leases, the Company will have the first right of refusal to acquire such lands from HSIL. The transactions will be at arm's length basis. To ensure that

		the fair market values are evaluated in a transparent manner, Deloitte Haskins & Sells LLP was appointed to carry out independent studies and basis the same the lease rentals and annual escalations have been worked out in the respective lease agreements.
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The rents payable for the aforementioned lease will be as follows:

Sl. No.	Particulars	Lands and Buildings situated at			
		Bahadurgarh, Haryana (Sanitaryware manufacturing plant)		Isnapur, Telangana (Pipes and fittings manufacturing plant)	
		Year	Annual Rent (in INR)	Year	Annual Rent (in INR)
1.	Lease Rental and Escalation Schedule for period of 9 years and 11 months	1	7,48,97,122	1	8,43,58,958
		2	7,48,97,122	2	8,43,58,958
		3	7,48,97,122	3	8,43,58,958
		4	8,05,14,406	4	9,06,85,880
		5	8,05,14,406	5	9,06,85,880
		6	8,05,14,406	6	9,06,85,880
		7	8,65,52,986	7	9,74,87,321
		8	8,65,52,986	8	9,74,87,321
		9	8,65,52,986	9	9,74,87,321
				10 (11 months)	8,52,90,755

Except Mr. Sandip Somany and Mr. Girdhari Lal Sultania, being common directors in both, the Company and HSIL, and their respective relatives, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise in the said resolution.

For **Brilloca Limited**


Payal M Puri
Company Secretary & V.P. Group General Counsel



Place: Gurugram
Date: 15.01.2022

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s) :
Registered address :
E-mail Id:
Folio No/ Client Id :
DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:.....Address:.....
E-mail Id:Signature:.....or failing him/her
2. Name:.....Address:.....
E-mail Id:Signature:.....or failing him/her
3. Name:.....Address:.....
E-mail Id:Signature:.....as my/our proxy

to attend and vote (on a poll) for me/us and on my/our behalf at the 4th Extra-Ordinary General Meeting of the Company, to be held on Monday, 21st day of February, 2022 at 11.00 A.M. at the registered office of the Company situated at 2, Red Cross Place, Kolkata – 700001, West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Number of Shares held	For	Against
1.	Approval of related party transactions to be undertaken with HSIL Limited			

Signed this..... day of..... 2020

Affix
Revenue
Stamp

Signature of shareholder/Signature of Proxy holder(s)

Notes: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

The Folio No. and Name(s) of the Member(s) is / are to be furnished below in block letters

Folio No..... No. of Shares held

Client ID DP ID

Full Name(s) of Member / Joint Members

1.....

2.....

3.....

4.....

Full Name of the Proxy if attending the meeting

I hereby record my presence at the third Extra-Ordinary General Meeting of the Company held on Monday, 21st day of February, 2022 at 11.00 A.M. at the registered office of the Company situated at 2, Red Cross Place, Kolkata – 700001, West Bengal.

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Signature of the Member / Joint Members / Proxy attending the Meeting

Please complete this attendance slip and hand it over at the entrance of the Meeting hall.

ROUTE MAP

