

FORM A

Format of covering letter of the annual report to be filed with the stock exchange

1.	Name of the Company	HSIL Limited
2.	Annual financial statements for the year ended	For the year ended 31 March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	Signed by- • Managing Director • Chief Financial Officer • Auditor of the Company For Walker Chandiok & Co LLP (Formerly Walker, Chandiok & Co) Chartered Accountants Firm's Registration No.: 001076N/N500013 per Lalit Kumar Partner Membership No.: 095256 • Audit Committee Chairman	Rajendra Kumar Somany Sandeep Sikka For Walker Chandiok & Co LLP (Formerly Walker, Chandiok & Co) Chartered Accountants Firm's Registration No.: 001076N/N500013 per Lalit Kumar Partner Membership No.: 095256 V.K.Bhandari

HSIL Limited

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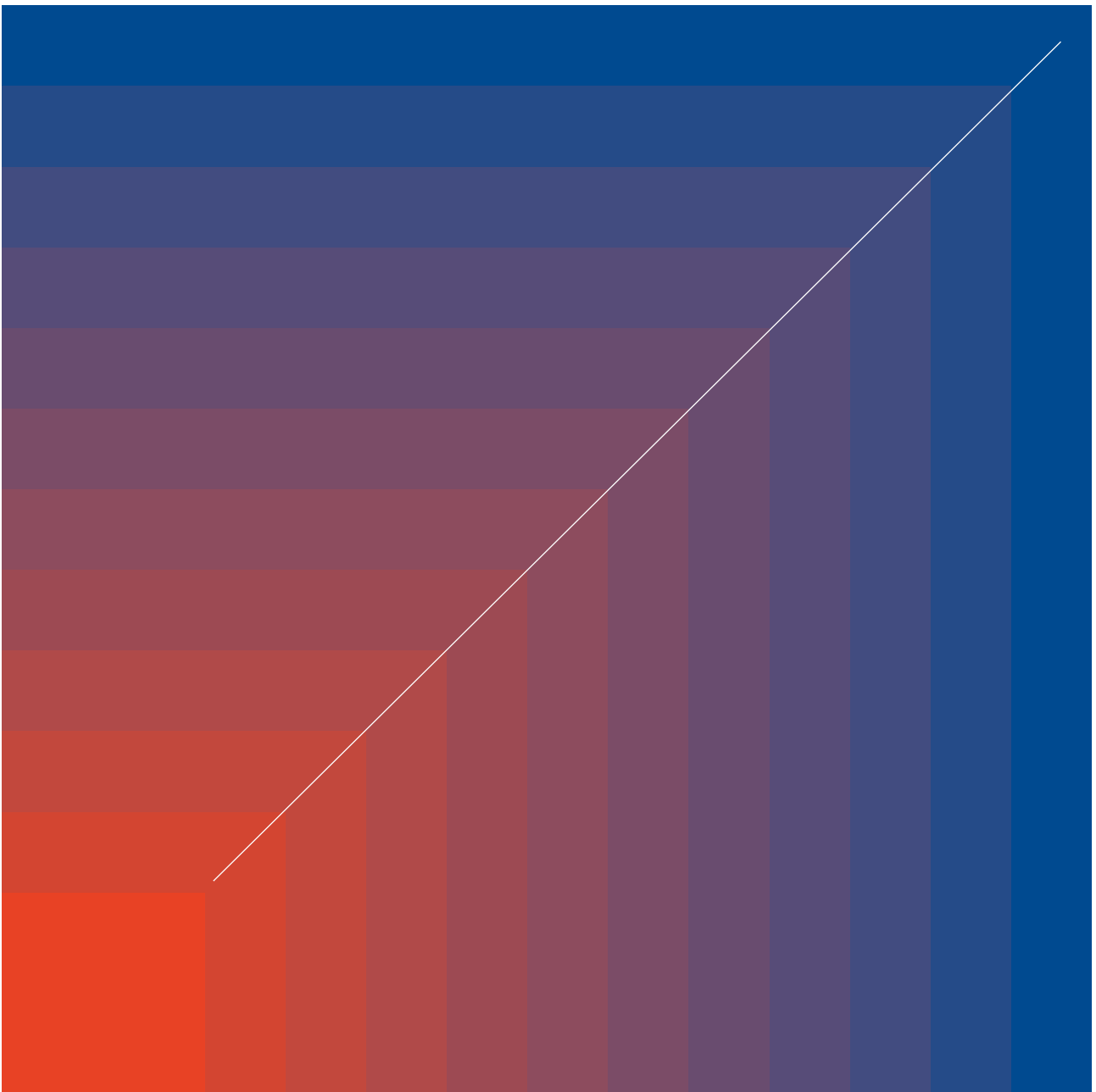
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CIN No. - L51433WB1960PLC024539



FORWARD
WITH
FORESIGHT



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The cover visual is based on geometric progression which aptly depicts, that HSIL is moving ahead with stronger fundamentals to reach higher levels of value creation.

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NOTICE & PROXY



This Annual Report is available online at:
hindwarehomes.com
hsilgroup.com

WITH AN UNRIVALLED YOUNG POPULATION AND A RAPIDLY EXPANDING ECONOMY, INDIA IS PROGRESSING TOWARDS A BETTER, BRIGHTER FUTURE.

IT IS INVESTING IN INFRASTRUCTURE, MANUFACTURING, EDUCATION AND SOCIO-ECONOMIC PROSPERITY.

THAT MEANS, MORE INDIANS WILL BUILD THEIR OWN HOMES AND COMMERCIAL SPACES OR REFURBISH THEIR EXISTING ONES.

THAT MEANS, THE INDIAN CONSUMER WILL LOOK FOR PRODUCTS THAT CONFORM TO GLOBAL STANDARDS.

THAT ALSO MEANS COMPANIES HAVE TO BE READY TO MEET THESE DEMANDS AND DO SO SUSTAINABLY.

THEN THERE IS 'SWACHH BHARAT', MAHATMA GANDHI'S VISION OF 'SANITATION FOR ALL'. AN INITIATIVE WHICH GOES BEYOND BUILDING TOILETS, IT IS A STEP TOWARDS CHANGING BEHAVIOURAL PATTERN AND INSTILLING A HABIT OF CLEANLINESS.

At HSIL, we recognise this reality. And see a role for ourselves in this transformation. Which is why, we devoted much of 2014-15 preparing for the metamorphosis that awaits India. We invested in a new faucet plant as well as started work on enhancing sanitaryware capacities to capitalise on more opportunities. We positioned our brand as a refreshing source of inspiration for a wide customer cross-section aspiring for better living standards in tune with rising GDP and per capita income. We added differentiated products in our line of businesses and strengthened our pan-India footprint. We improved our operational efficiency and put more emphasis on water-saving techniques for sustainability. We turned around the glass business, despite market volatilities.

We strengthened our balance sheet, enhanced margin potential and created headroom for further growth. Our foresight and ability to act ahead of the curve will take us to the next altitude of growth and sustainability.

FUNDAMENTALS DRIVE OUR BUSINESS

FOR OVER FIVE DECADES, WE, AT HSIL, HAVE CONSISTENTLY TRANSFORMED OURSELVES ON THE BASIS OF OUR ROBUST FUNDAMENTALS. THE RESULT IS THAT WE HAVE MANAGED TO GROW SUSTAINABLY IN ALL THESE YEARS, DESPITE INDUSTRY HEADWINDS AND ECONOMIC VOLATILITIES.

WE ARE NOW ONE OF THE LEADING MANUFACTURERS OF BUILDING PRODUCTS AND PACKAGING PRODUCTS (CONTAINER GLASS AND PET) WITH SIGNIFICANT BRAND STRENGTH.

HSIL FIRSTS

FIRST to introduce vitreous china sanitaryware in the country

FIRST in the industry to have an in-house R&D facility approved by Government of India

FIRST Indian plant in the sanitaryware industry to receive ISO certification

FIRST to introduce 'star rated' water efficient water closets in the market

FIRST to offer over 20 new designs of certified 'water efficient' products

FIRST to commission a highly automated Greenfield 'faucet' plant in India

FIRST to receive BIS certification

1st

India's largest
manufacturer of
sanitaryware products

60_{mn}+

Satisfied sanitaryware
customers

1,550⁺

Institutional clients for
the Building Products
Division

3,000⁺

Pan-India dealer
network for our
Building Products
Division

19,000⁺

Pan-India retail spread
for our Building
Products Division

125⁺

Hindware Galleries
under Building Products
Division

50⁺

New products and
designs launched during
2014-15

20⁺

Star rated water
efficient products

2nd

India's second largest
manufacturer of glass
containers

70⁺

50 new glass bottles
and 20 new PET bottles
added to product
portfolio 2014-15

550⁺

Institutional clients for
the Packaging Products
Division

8

State-of-the-art
manufacturing facilities

40⁺

Export footprint

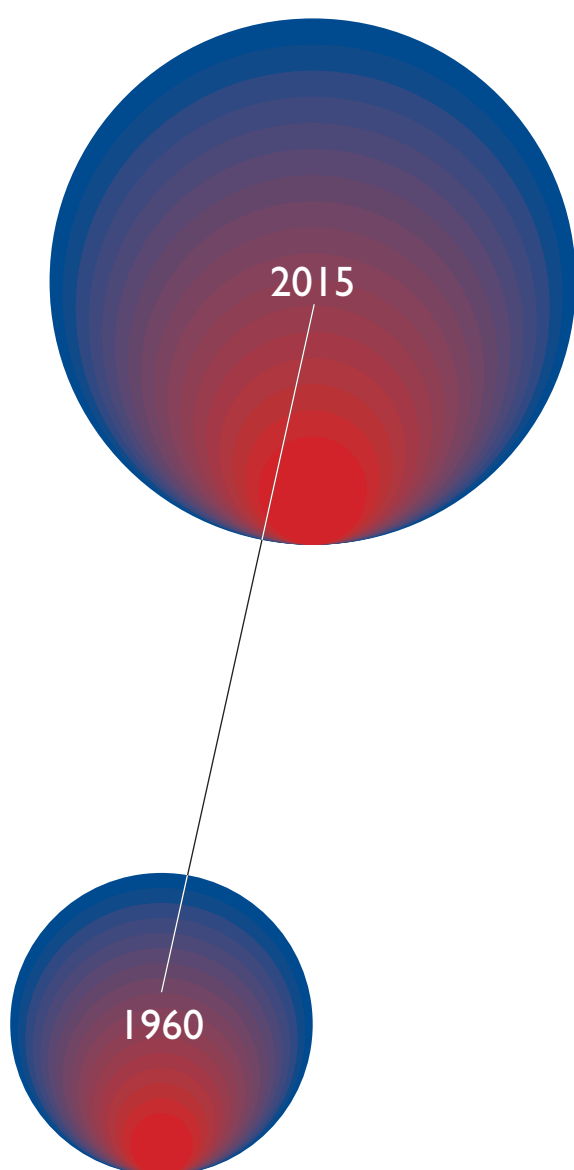
3,400⁺

Motivated team
members

₹ 3,257.68 Cr

Market capitalisation as
on 31 March 2015

LEGACY INSPIRES US TO INNOVATE



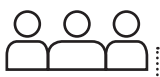
India was a very different country when we began our journey in 1960. The Somany family and Twyford's Ltd., UK collaborated to form HSIL. Opportunities were few and far between for manufacturers, and customers had very little choice. That however did not deter us in surging forward with optimism.

The Indian economy and society have radically transformed in all these years. The market for building and packaging products has now grown considerably, providing us headroom for expansion. And in all these years, our core purpose and values have helped shape our identity as a customer-oriented organisation with relentless innovation to create value.

CORE PURPOSE

Passionately strive to enrich customers' quality of life, thereby enhancing stakeholder value

CORE VALUES



People Excellence

Performance Excellence with

- » Teamwork and culture of trust and openness
- » High performing teams where an individual's opinions are respected
- » Recognition for teams achieving collective goals
- » Cross-functional teams for enhancing business growth and innovative practices

Learning for sustained competitive advantage

- » Sharing knowledge across the organisation
- » Taking ownership in developing ourselves personally and professionally
- » Open to learn from mistakes and experiences



Business Excellence

Performance Excellence with

- » Individual and collective commitment to exceed our goals
- » Relentless focus on business objectives inspite of obstacles
- » Ownership of our decisions and actions
- » Constant improvement in our performance

Operational Excellence

- » Unwavering focus on continuous and sustained improvement across operational processes
- » Consistent and assured performance
- » Driving time and cost efficiencies



Leadership Excellence

Innovation with

- » Continuous processes and product innovations to create and deliver value
- » An approach of challenging status quo
- » Creativity and informed risk-taking

Agility

- » Being flexible, responsive and adaptable to the changing market dynamics
- » Keeping ourselves abreast of the changing market dynamics
- » Embracing change and adapting ourselves rapidly
- » Responding quickly and effectively in order to seize opportunities

OUR OFFERINGS



Building Products Division

Sanitaryware | Faucets | Kitchen Appliances
Wellness | Extractor Fans | Allied Products

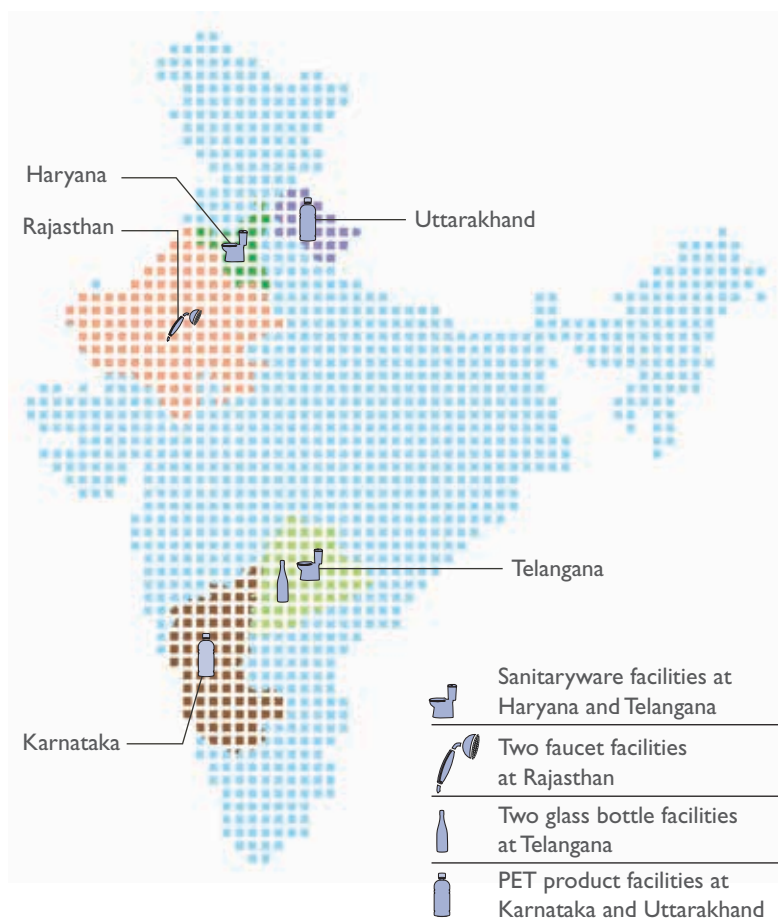


Packaging Products Division

Glass Containers | PET Bottles



OUR MANUFACTURING FACILITIES



OUR CAPACITIES

Building Products Division

Sanitaryware

3.8 mm

pieces per annum

Faucet

3 mm

pieces per annum

Packaging Products Division

Glass

1,600

tonnes per day

PET

9,500

tonnes per annum

OUR QUALITY ASSURANCE

- International Association of Plumbing and Mechanical Officials (IAPMO) certifications for over 20+ sanitaryware products, recognising their water efficiency
- Institute for Testing & Certification (ITC), Zlin, Czech Republic's CE certification, with reference to EN standards (European Harmonised Technical Standards)
- ISO 9001:2008 for quality management system
- ISO 14001:2004 for environment management system
- OHSAS 18001:2007 for occupational health and safety management systems

FOR SHAREHOLDERS

- Our shares are listed on the National Stock Exchange Limited (NSE) and the Bombay Stock Exchange Limited (BSE)
- Promoter shareholding comprises 47.11% of the equity share capital
- Dividend: ₹ 3.5 per share (Face value: ₹ 2)

CONSISTENT PERFORMANCE

18.21%

5-year CAGR in Net Sales

17.39%

5-year CAGR in total EBITDA

18.31%

5-year CAGR in PBT

14.72%

5-year CAGR in PAT

13.65%

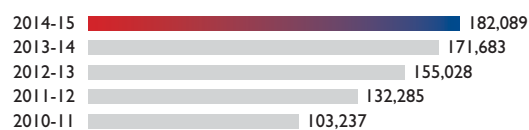
5-year CAGR in cash profit

10.51%

5-year CAGR in EPS

Escalating Net Sales

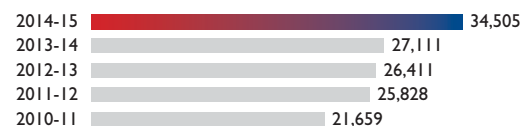
₹ in lacs



Y-o-Y growth **6.06%**

Surging EBITDA

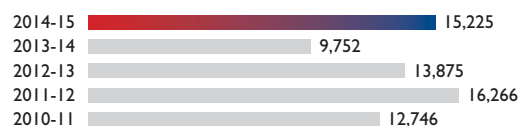
₹ in lacs



Y-o-Y growth **27.27%**

Growing PBT

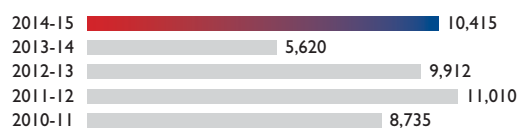
₹ in lacs



Y-o-Y growth **56.12%**

Accelerating PAT

₹ in lacs



Y-o-Y growth **85.32%**

Increasing Cash Profit

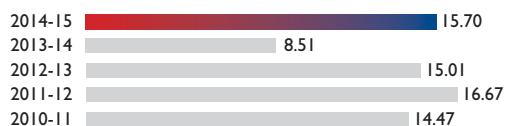
₹ in lacs



Y-o-Y growth **33.60%**

Sustainable EPS

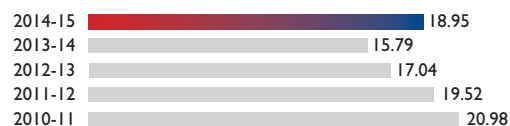
₹



Y-o-Y growth **84.49%**

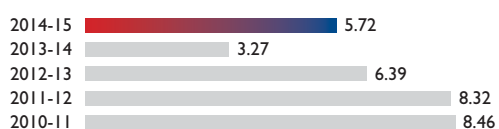
EBITDA Margin

%

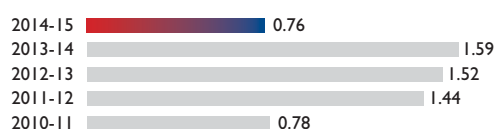


PAT Margin

%



Strong Debt-Equity Ratio



FIVE DECADES OF OUR EXCITING JOURNEY

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Annual Report 2014-15

1960-1969

1960

- Mr. Rajendra K. Somany along with Twyfords Ltd., UK set up Hindustan Twyfords Ltd.

1962

- Factory was set up in Bahadurgarh, Haryana (earlier part of Punjab) and production commenced in 1963, manufacturing 60 pieces a day

1967

- The Company was renamed to Hindustan Sanitaryware & Industries Limited



1970-1979

1977

- National Small Savings Organisation declared HSIL Bahadurgarh factory as 'First Bachat Factory' in appreciation of outstanding performance
- Adult literacy programme started with 260 illiterate workers. Appreciation poured in from the President, PM and Education minister of India

1978

- For the fourth consecutive year received accolade for maintaining safety standards in the factory



1980-1989

1981

- Acquired Associated Glass Industries Ltd. to diversify the business in container glass manufacturing

1989

- Acquired Krishna Ceramics Ltd. (Bibinagar) to expand ceramics manufacturing capacity



2000-2009

2000

- Established web presence

2004

- Rebranded the hindware logo for a contemporary and refreshing approach

2006

- Awarded Business Superbrand-Consumer Validated

2007

- Crossed the 500-crore revenue milestone

2010 onwards

2010

- Acquired the bath fittings business and operations from Havells India Ltd.
- Acquired Barwood, UK, a leading British purveyor of bespoke bathrooms
- Received 'Elle Decor International Design Award' for Nano, the 1.5 ltrs/flush EWC

2011

- Launched value for money brand - Benelave
- Launched luxury brand - Queo
- Crossed the ₹ 1,000 crores revenue milestone

1990-1999

1990

- Commissioned world's largest open flame tunnel kiln in the Bahadurgarh factory

1997

- Launched water conservation product, with 3.5 litre flushing capacity - Super Constellation water closet

1999

- ISO accreditation received for Bahadurgarh Plant: first Indian plant in the sanitaryware industry to receive this prestigious accreditation
- Acquired Raasi ceramics to further expand sanitaryware manufacturing capacity

2008

- Entered the home interior design retail industry through subsidiary Hindware Home Retail Pvt. Ltd. (HHRPL)
- Received the 'Elle Decor International Design Award' for Poncho, Kid range of sanitaryware

2009

- Renamed to HSIL Ltd
- Received - Reader's Digest Platinum Brand Award
- Bestowed with Business Superbrand-Consumer Validated Award

2012

- First one to launch India's first Water Saver Star Rated Products
- Crossed the ₹ 1,500 crores revenue milestone

2013

- Launched wellness collection AMORE
- Expanded sanitaryware production capacity, taking installed capacity to 3.8 million pieces per annum

2014

- Commissioned state-of-the-art Greenfield faucet plant in Kaharani, Rajasthan with installed capacity of 2.5 million pieces
- Awarded Business Superbrand Award - Industry & Consumer Validated

CMD's REVIEW

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Annual Report 2014-15



We have the expertise and foresight to create great experiences for our customers and be the face of change in the industries in which we operate.

Dear Shareholders,

I had spoken at length in my last year's communication to you about the need to refresh and realign our business model in step with the winds of change blowing across the country. This is the context from where I would like to begin. Before I go into other details, I am happy to share with you the fact that we have been largely successful in doing what we had planned to do last year. Today, we have a smarter, flexible business model with an enhanced customer-focused approach.

The economy is on the mend, though not as fast as predicted and both our divisions (Building Products Division and Packaging Products Division) are equipped with additional capacities and capabilities to make the most of the opportunities on the horizon. I admit there are still volatilities in the macro

economy, which may impact strategies in the medium term. Therefore, I believe optimism has to be tempered by practical wisdom and foresight.

Our ability to foresee market trends and preferences have stood us in great stead in all these years, enabling us to maintain our leadership position in the industries in which we operate. However, I believe there are four crucial areas in which we constantly need to focus on to make HSIL a great organisation for the next 50 years and beyond. They are:

- a) Promote new ideas to work more efficiently and effectively;
- b) Work hard with external stakeholders to create a brand that not only fulfils aspirations of customers but cares for society;
- c) Conserve natural resources and respect the interests of our communities; and
- d) Grow our core business, while developing new business models.

We are already working on some of these areas and our industry landscape is becoming more organised to support our ambitions.

India's sanitaryware industry is the second largest (in volume) in the Asia Pacific region. Today, the country is witnessing new housing demand, rapid urbanisation and lifestyle changes. Moreover, the Government of India has planned to spend over ₹ 1.97 lac crores on sanitation in the next five years; a proposal which has a long-term vision and begins with providing toilets to every Indian household by 2 October 2019. Though HSIL and other participants in the sector are focused on building a

With the right innovations, efficient sourcing, attractive pricing, retail expansion and an aggressive marketing strategy, we are in line with our approach to outperform and create superior value for our stakeholders.

premium and luxury brand, we all will certainly assist in inculcating a change in behavioural pattern among users, improve hygiene and sanitation in India. Once users get used to the concept and behavioural pattern changes, the benefits will be felt.

India's packaging industry is also growing at a steady pace. This is primarily driven by rising disposable income, growth in downstream user segments (food and beverage, liquor, pharmaceutical) and rising consumer demand for better packaged products to maintain the optimum freshness of its contents.

REVISITING 2014-15

I believe 2014-15 has been a significant year for all of us, because of a number of reasons. We commissioned India's first 'highly automated' Greenfield faucet plant with an annual capacity of 2.5 million pieces at Kaharani, Rajasthan. This will position us to grow our leadership in the faucet segment. We also forayed into a synergic product segment, signing a co-branded marketing agreement with Groupe Atlantic, US\$ 1.5 billion leading player of French origin, experts in all types of heating systems and home comfort appliances. This agreement will

let us introduce a new product category; domestic water heaters in the market. The products will be sold under a joint brand name of 'hindware atlantic'.

For our Packaging Products Division, we are seeing green shoots of growth and the worst is already behind us. Our focus on operating efficiencies and a prudent cost structure have made this possible.

WHAT LIES AHEAD?

With the right innovations, efficient sourcing, attractive pricing, retail expansion and an aggressive marketing strategy, we are in line with our approach to outperform and create superior value for our stakeholders. The aim is to gain more share in the organised sanitaryware market, further enhance efficiency of our glass business through process innovation and optimum raw material mix. We will continue to develop new and value-added varieties of container glass and PET products for existing and new customers.

SOCIAL COMMITMENT

While concerns on environment and sustainability are growing, we were already working on making our products more water efficient. The rising awareness is an additional boost to push for certification, a stamp of confirmation for products, which are 'water efficient'. Additionally, we work with external stakeholders in the areas of healthcare, employable skill development and empowerment of women. Last year, we built an additional floor of the 'Krishna Somany Memorial Anathalaya' to accommodate the growing need of shelter homes for orphans and handed over to the Haryana Government. At present, housing 25 children between the age group of 5-18, the Anathalaya provides clean living quarters, healthy meals and more importantly education

for the less privileged, who are also the future of our society.

FACE OF CHANGE

We have the expertise and foresight to create great experiences for our customers and be the face of change in the industries in which we operate. Success of any business enterprise lies in its ability to employ and retain good people whose unrelenting efforts match with the companies objectives. And, it is no different for us. I personally have spent countless enjoyable hours with our team and have seen the dedication with which new products are designed, tested for durability and then brought to the market. I sincerely thank all members of the HSIL family for their contribution in making us one of the most coveted brands in the country.

On behalf of the Board and the entire leadership team, I also thank all our stakeholders, business partners as well as customers for their continued guidance and support. We have a lot more to achieve together and many more milestones to cross.

Warm Regards

Rajendra K Somany

Chairman and Managing Director

JMD's MESSAGE

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Annual Report 2014-15



In this fast changing world, lifestyle conversations today include the bathroom space. Therefore, their aspirations and decisions matter to us. Over the years, we have developed a repertoire of expertise to inspire them and influence their decisions

Dear Shareholders,

India is certainly on a higher growth trajectory, with positive macro-economic fundamentals. However, it must be admitted that a two-trillion dollar economy, well integrated with the world, will take more time to recover and gain significant momentum. The new government's policy initiatives and legislative measures to revive investment appetite and consumer sentiment will augur well for our business, going forward.

2014-15 was an exciting year for all of us at HSIL. A year in which, we saw our strategies working in harmony and helping us grow our business sustainably.

ENCOURAGING PERFORMANCE

The year 2014-15 was affected by several external challenges, sharp fluctuations in input costs, over supply in 'glass containers' vertical, inflation and sustained sluggishness in real estate. But still we achieved a turnover of ₹ 1,965.03 (gross) crores (₹ 1,855.71 crores 2013-14). Our EBITDA stood at ₹ 345.05 crores vis-a-vis ₹ 271.11 crores in 2013-14 and a net profit of ₹ 104.15 crores against ₹ 56.20 crores

in 2013-14. Our earnings per share stood at ₹ 15.70 as on 31 March 2015. Better realisation and turnaround of container glass business and committed effort across both divisions, helped in ending the year on a good note.

Our Building Products Division's sales (net) grew by 5.84% from ₹ 863.35 crores in 2013-14 to ₹ 913.79 crores in 2014-15 and reported EBIT margins of 19.47% in 2014-15. We grew our capacities, expanded product range and enhanced brand visibility.

Our Packaging Products Division's (net) sales grew by 6.31% from ₹ 851.91 crores in 2013-14 to ₹ 905.65 crores in 2014-15. The Division reported EBIT margins of 9.27% in 2014-15. During the year under review, we started the use of alternate fuel, pet coke to fire the glass furnaces, helping reduce cost of operations. We also focused on the manufacture of lightweight bottles, using the advanced Narrow Neck Press and Blow (NNPB) technology, and delivered best-in-class designs in various shapes and colours to suit multiple user segments. We also enhanced scale at our PET business by introducing new product varieties.

CRAFTING UNIQUE EXPERIENCES

I am pleased to announce that we commenced production at our Greenfield faucet plant at Kaharani, this being India's most modern and automated manufacturing unit having an annual capacity of 2.5 million pieces. Equipped with robotic grinding and polishing technology and fully automatic dust free and electroplating line, for higher precision, quality is a given. The emphasis on 'faucets' has two objectives: we aim to become one of the frontrunner faucet players in the organised category in the next three

years and be looked upon as ‘specialists’ in this segment.

Today, the Indian demographic is largely characterised by youth, increased education levels and increasingly becoming an aspiring society, where customers do not prefer more of the same. They are seeking differentiated experiences that stand out in the crowd. This attitudinal change is reflective of how we are positioning ourselves as a holistic bathroom solutions provider, crafting unforgettable experiences through a world of innovative and contemporary product designs. We have launched over 50+ new designs across all our brands, luxury, premium, wellness and value for money segment.

We envision enhanced sales in the luxury segment in the years to come. We expect the proportion of premium and luxury products to reach around 65% of the sale of the Building Products Division.

We also realise efficient water use can have major environmental, public health, and economic benefits. By purchasing more water efficient products and by using water more efficiently, we can help mitigate several factors that are dangerously threatening fresh water availability. It is important to know that water efficiency differs from water conservation as the focus here is on reducing waste, not restricting use. We are the first in India to launch a path-breaking contemporary collection of European Water Closets (EWCs), encompassing low volume flushing capability. Our special range of 26 EWCs helps reduce water consumption during full flush/half flush and saves over 65,000 litres of water per year, per household, per unit of EWCs.

I take pride in the fact that we have been alert to the constant churn and change in market dynamics to appropriately

tailor our strategies and reap maximum benefit of emerging opportunities. We are digging deep into Tier II and Tier III cities across India, through existing and new networks of dealers and retailers. In addition, we are bringing in innovation to address interior designers and architects, our key influencer’s through innovative marketing, such as the Bathroom Planner DVD Application (app).

We also did a brand integration with ‘Shamitabh’ a movie starring Amitabh Bachchan, Big B of Bollywood, for a positive association and greater visibility. Moreover, we have also roped in India’s leading actor, Shah Rukh Khan as brand ambassador for hindware and Jacqueline Fernandez for Queo in a new 360 degree integrated media campaign as well as enhancing our presence on the social media. These initiatives will bolster our brand recall and drive margins.

In addition to steady growth in our existing brands and businesses, we raised ₹ 250 crores through a Qualified Institutional Placement (QIP) to lower our debt exposure. As a result, our debt equity ratio strengthened, which will reduce our interest costs.

FUTURE READY

The conversation on India’s potential as a market of opportunities has not diminished. Its economic potential along with China’s is a close race. And, to be future ready is the only way ahead. We have already made large investment putting up our Greenfield faucet plant and look forward to a much better capacity utilisation as things pick up in the market. Expanding our sanitaryware plants across our locations in Telangana and Haryana will be another area where we will concentrate to get an additional capacity of four lac pieces through de-bottlenecking. Entering new consumer product areas is another initiative. We

have tied-up with Groupe Atlantic, a US\$ 1.5 billion french multinational, to market their geysers exclusively under the ‘hindware-atlantic’ brand. My opinion is that our business divisions have a lot of potential to offer customers and our best is still to come.

Here are a few urgent priorities that come to my mind:

- ▶ Debottlenecking of existing facilities to grow capacities
- ▶ Strengthening our distribution network and presence in Tier II and III cities
- ▶ Enhancing further efficiency in our plants
- ▶ Widening our portfolio of value-added products
- ▶ Strengthening human capital by attracting, training and retaining talent
- ▶ Entering into new verticals with attractive synergies
- ▶ Seek more opportunities in global markets

Our customers participate in the most important conversations on lifestyles in a fast-changing world. Therefore, their aspirations and decisions matter to us. Over the years, we have developed a repertoire of expertise to inspire them and influence their decisions. Building a higher profile for our brands with Shah Rukh Khan and Jacqueline Fernandez will see us creating higher visibility across all media platforms.

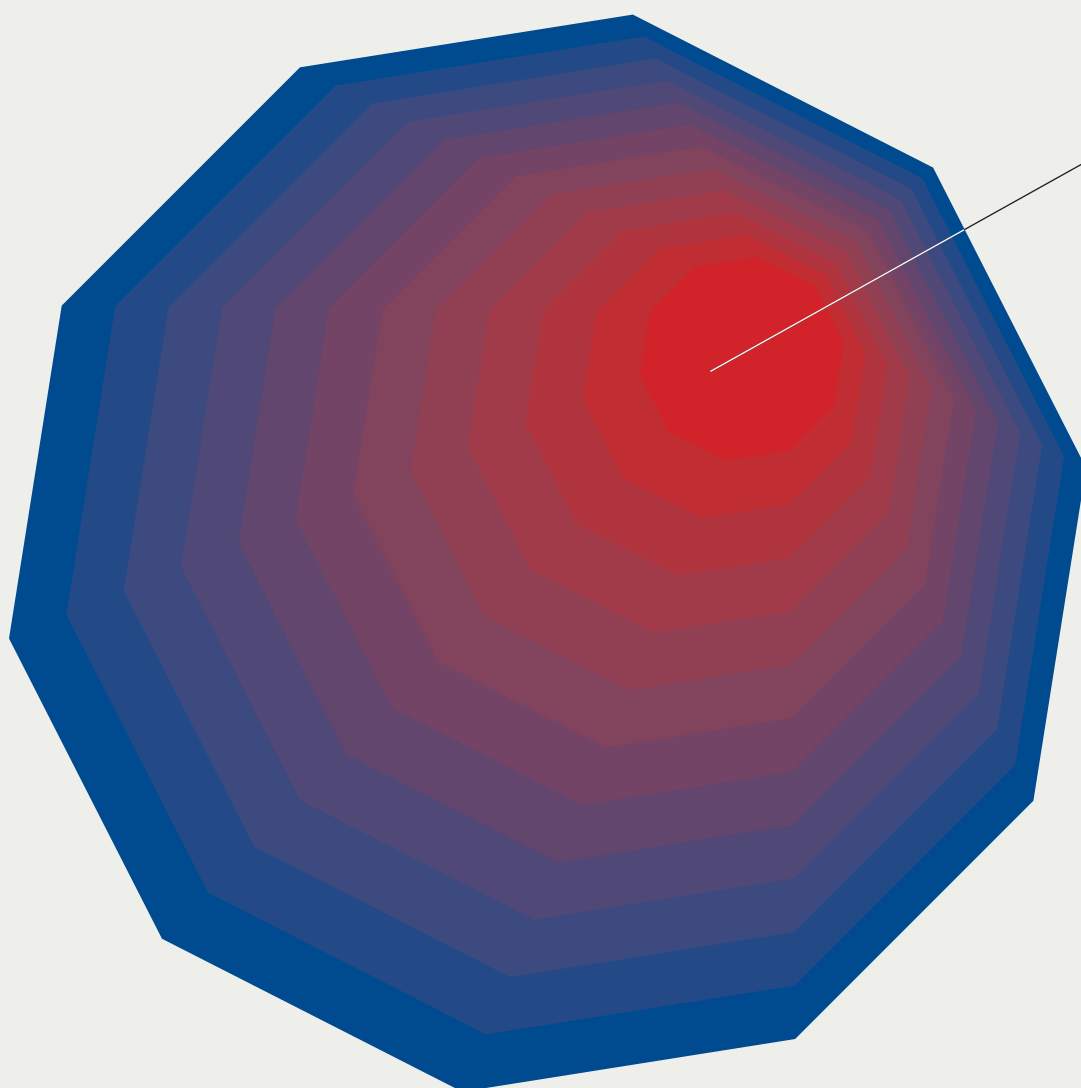
We are learning, adapting to change and growing. And, most importantly taking communities along with us.

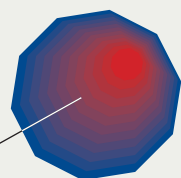
We are using our foresight and dynamism to shape a stronger HSIL, which will create consistent value for all stakeholders.

Warm Regards

Sandip Somany

Joint Managing Director





‘FORWARD WITH FORESIGHT’ IS THE ARTICULATION OF WHAT WE HAVE ACHIEVED ACROSS MULTIPLE FACETS IN OUR BUSINESS.

Here we present a brief insight into those aspects, which have made us a frontrunner in the industries in which we operate, and the roadmap that we have set for ourselves to create more value for all.

INVESTING WITH PRUDENCE



We strengthen industry leadership by keeping the consumer at the heart of our business and focusing on delivering today's results, as well as investing for the long term.





BEST-IN-CLASS FAUCET PLANT

We commenced commercial production of our Greenfield state-of-the-art highly automated 'faucet' plant at Kaharani, Rajasthan, with an annual capacity of 2.5 million pieces. This plant will help us leverage more opportunities in the faucet space nationally and internationally.



Key highlights of the new plant

- » **Core making machine:** The 'core', true to its name, is the heart for manufacturing the faucet body. The 'Automatic Core Shooter Machines' from Italy, ensures uniformity in every piece, thereby confirming consistent water flow.
- » **Casting machine:** We use Italian casting machines, which use virgin brass to avoid impurities and provide a perfect body and long-term durability.
- » **CNC machines:** Around 20 'Computerised Numerically Controlled Vertical Machining Centres' were brought from the United States. They guarantee exact dimensional specification of up to 10 micron, for each item.

- » **Grinding & Polishing machine:** We are the first who introduced 'Robotic Grinding & Polishing Technology' in India, which facilitates flawless body surface.
- » **Chrome plating line:** We have also introduced fully 'Automatic Dust Free Electroplating' line ensuring spotless finish.

GROWING OUR SANITARYWARE CAPACITY

We are debottlenecking our sanitaryware plants across both locations (Telangana and Haryana) to achieve additional capacity. Besides, we have planned a Greenfield plant in Gujarat for 1.2 million pieces annually. We have already acquired land in Gujarat for the expansion.

ENHANCING EFFICIENCIES

We are continuously emphasising on improving manufacturing efficiencies. As a part of this agenda, we are optimising operational costs through judicious management of raw materials, fuel and people costs. Better team work, appropriate analysis and higher automation are enabling us to enhance quality and reduce process rejections significantly.

₹ 400 Cr

Planned capital expenditure
for the next 3-4 years



STRENGTHENING BRAND RECOGNITION

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Annual Report 2014-15



hindware
ITALIAN COLLECTION

I AM A STAR.
BUT I AM
A FAN TOO.

hindware / BATHROOMS YOU KEEP ADMIRING !

[Signature]



Our brands essentially hold out a promise to the customer; the promise of an enriched quality of life. Thus our mandate is to reinforce its reach, respect and recall as we look to the future and foresee a more competitive environment.



rose to prominence by his consistent performance innovating himself along the way, a trait which resonates well with brand hindware and its unfailing desire for success. SRK will feature in hindware's new 360-degree integrated campaigns across all media channels.

Luxury brand Queo, will also garner more prominence and top of mind recall in the market with Jacqueline Fernandez as its brand ambassador. Jacqueline Fernandez's persona, work ethic and achievements blends perfectly with what Queo stands for; design, finesse and artistry. Her association will boost visibility and awareness of Queo as the bathroom space gradually shifts towards luxury.

IN-FILM BRANDING

We started in-film branding of hindware in the movie 'Shamitabh', bringing to the fore the significance of bathrooms in our lives as a place for solitude and creativity. Finely woven within the story, hindware reinforces the brand's recall around the term 'refreshed'.

SOCIAL MEDIA REACH

We have over 100,000 fans on Facebook. The enormous support and love of our fans have made us India's largest bathroom-ware community. We have been active on the social media platform through online contests thus engaging and broadening our fan base.

STAR ALLURE

Admired by people of all age group; cutting across territorial borders and communities, King of Bollywood Shah Rukh Khan (SRK) is now brand ambassador of hindware. SRK exudes sophistication and flair. He embodies the spirit of a hard working individual who



ACHIEVING THE TURNAROUND

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Annual Report 2014-15



Our container glass business was grappling with multiple challenges for the last three years, owing to rising raw material and fuel costs. However, 2014-15 proved to be a game-changing year, when we undertook key initiatives to make the turnaround possible.





What was the result

₹ 177.09 Cr

EBIDTA

70+

New bottles developed

WHAT WE DID

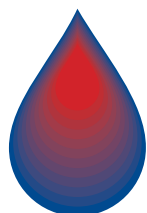
- » We substituted high cost fuel (furnace oil) by alternate fuel, which has helped us reduce our fuel cost
- » Renegotiated terms with the established vendor network for sourcing key inputs like silica sand, soda ash and cullet, among others to reduce input costs
- » Enhanced proportion of cullet usage, which helped us save fuel and energy cost
- » Reduced wastages and rejects to less than 1% through stringent process control
- » Improved input/output ratio by 2% on account of process modernisation and technological improvements
- » Reduced our product change over time, on account of implementation of advanced technology
- » Increased production of soft drink bottles, owing to high demand
- » Developed new bottles for new and existing customers, through constant improvement in bottle design
- » Delivered several varieties of light-weight bottles through Narrow Neck Press & Blow (NNPB) technology across both plants
- » Reduced breakage during storage to almost zero percent, through efficient pallet stacking system
- » Adopted advanced cost-effective German technology to manufacture a wide range of shapes, colours and designs to suit all user segments



GREENING OUR FUTURE

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Annual Report 2014-15



Water is becoming a precious resource globally and must be conserved to help sustain life on planet. We have launched a wide range of high-efficiency flushing systems, sensor operated faucets, shower panels and waterless urinals to reduce water consumption. Our water-smart products validated by international body IAMPO with WEP - I and UIPC – I ratings vindicate our commitment to sustainability.



25+

Products certified by IAMPO,
as on 31 March 2015

65,000 litres+

Our green building
sanitaryware products can
save over 65,000 litres of
water per year



Our research and technology department, with over 30 professionals (technicians and designers), has consistently worked on ways to make products more water efficient.

Much before sustainability became the buzz word, year-on-year we have worked on developing and incorporating water saving flushing technology in our products. Double syphonic, Wash down, Syphonic Jet to designing rimless water closets. It is a continuous process. The rimless closets improve flushing efficiency with its direct and focused flush strength consuming less water.

Our efforts have been accredited with UIPC-I and WEP-I, Star Rating by the International Association of Plumbing and Mechanical Officials (IAPMO). We are the first player to receive this distinction as well as the one to offer a largest range of such certified products in the market.

Our special range of green EWCs (26) has been bestowed with 2 and 3 star rating for reducing water consumption during full flush/half flush, each of which saves significant litres of water per year, per household.

Flushing techniques

Enhanced flushing efficiency with more direct and focused flush strength. Smart features like sensor flushing, concealed cistern, automatic cistern, sensor urinals and water-less urinals enable significant water saving.

Faucets evolution

Faucets are designed with better control on water consumption. Faucets have Aerator - a tiny device comprises an O-ring and mesh gauze. This device is fitted inside the spout and reduces the flow of water by mixing it with air, with no noticeable effect to the person consuming the water. An estimated 9 liters (approx.) of water can be saved per minute by using this device.

Two Step Faucet: Includes eco-click water saving feature. The cartridge offers subtle resistance as it reaches approximately half of its full flow capability, resulting in upto 70% water saving.

Shower evolution

Air Mixing Shower Heads: A typical water saving showerhead manages to reduce the flow by simply using smaller holes. But the downside is that those eco alternatives don't provide quite the same showering experience.

Air Mixing shower heads save water ergonomically, without losing the cleansing sensation of an ordinary shower. What's special about these showers is that it aerates the water to make the droplets larger, so it can save water without making the water volume feel any lesser.

WIDENING OUR VALUE PARADIGM

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Annual Report 2014-15



We have widened the canvas of business operations, optimised resource cost and deepened operational synergies to consistently deliver shareholder value



We are consistently enhancing our scale of business operations. The objective is to expand the product basket and touch higher operational efficiencies to emerge as one of India's most profitable company.

DELIVERING ON SHAREHOLDER EXPECTATIONS

We have always increased the plough-back of operational surplus to reduce debt and strengthen our financial position. Such a strategy also ensures a consistent dividend payout.

	2013-14	2014-15
Shareholders' fund (₹ in crores)	1,121.48	1,435.69
Free reserves (₹ in crores)	685.59	998.56
Dividend payout (including tax) (₹ in crores)	23.18	30.36
Dividend payout ratio (%) (Dividend/PAT for year)	41.25	29.15
Earnings per share (₹)	8.51	15.70



RETURN ON NET WORTH

The profitability of our operations is indicated by the increasing return on net worth or shareholders' funds (calculated by dividing the profit after tax by the average net worth for the year under review and expressed as a percentage).

During 2014-15, we reported an increase in net worth. It is a testament of our ability to capitalise on industry buoyancy through timely asset expansion and project commissioning.

Return on net worth*

%



*Networth = Shareholder's fund - BRR

RETURN ON CAPITAL EMPLOYED

The return on capital employed highlights the efficient and judicious use of financial resources. There was a significant increase in the return on average capital employed in 2014-15, as the Company enhanced asset utilisation and invested in new assets with minimal gestation.

Return on average capital employed*

%



*Capital employed = Networth + BRR + Loan funds + Deferred taxes liabilities

STRENGTHENING MARKET CAPITALISATION

The market capitalisation grew at a CAGR of 38.86% over the four-year period, leading to 31 March 2015. This return is higher than the return an

investor would have received from any other secured investment.

Market capitalisation

₹ in crores



POSITIVE STOCK PRICE MOVEMENT

An investment of ₹ 1,000 in the Company on 1 April 2011 would have grown to ₹ 3,302 as on 31 March 2015. This is higher than what secured investment options would have generated during the same period.

Stock price (NSE)

₹



As on 31 March 2015

TOTAL SHAREHOLDERS' RETURN

Total shareholders' return (TSR) reflects the value earned by shareholders – directly and indirectly (directly in the form of the dividend received by them; indirectly in the form of the capital appreciation registered by the stock, during the year under review).

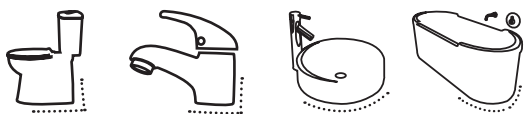
TSR was derived by subtracting the market capitalisation at the beginning of the financial year (1 April) from the year-end market capitalisation, its subsequent addition to the dividend payout during the year and the division of the subsequent figure by the opening market capitalisation.

Total shareholders' return (TSR)

%



BUSINESS DIVISION REVIEW



BUILDING PRODUCTS DIVISION

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Annual Report 2014-15

We are the largest producers of sanitaryware products in India. We are consistently meeting our customer aspirations with a wide variety, globally benchmarked quality and attractive range of products. We aim to enhance our product-lines to reach our potential customers.



₹ 913.79 Cr

Net sales from Building
Products Division in 2014-15

50.18%

Contribution to total
Net Sales

PRODUCTION CAPACITY

in million pieces/P.A.

Products	Facility	Capacity
Sanitaryware	Bahadurgarh (Haryana)	1.8
	Bibinagar (Telangana)	2.0
Faucet	Bhiwadi (Rajasthan)	0.5
	Kaharani (Rajasthan)	2.5

EXTENSIVE PRODUCT RANGE

Sanitaryware

Water closets | Wash basins | Pedestals | Squatting pans | Urinals | Cisterns | Bidets | Sinks

Faucets/showers

Showers | Bathroom and Kitchen faucets

Kitchen appliances

Hobs | Chimneys | Cooktops | Dishwashers

Vents

Designer Extractor fans

Wellness

Bath tubs | Shower panels | Shower enclosures
Whirlpools

Allied Products

Seat cover | PVC cisterns | Concealed cisterns

KEY BRANDS











MARQUEE CLIENTS

Adani
Amrapali Group
Ansal Group
ATS Infrastructure
DLF
Emaar MGF

Godrej Properties
GMR
Infosys
Jaypee
JMD
Larsen & Toubro
M2K

Marriot
Omaxe
Oris Infrastructure
Parsvnath Developers
Prestige Developers
Purvanchal Projects

Shapoorjee Pallonjee
Shobha Developers
Tata Housing
The 3C Company
The Taj Hotels
Unitech
Vipul

BUILDING VALUE EXPERIENCE

Hindware Galleria: These stores depict a contemporary and exciting spirit of the brand, which is Indian in essence and global in its appeal. Galleria will provide discerning customers with the entire product bouquet that brand hindware offers in the market.

These showrooms provide consumers with an opportunity to marvel at the aesthetics and technology of each product and take an informed decision.

Hindware Lacasa: These are concept stores, a one-stop destination for architects, interior designers, business buyers, as well as homeowners to get a real time experience of our entire product basket. The idea behind Lacasa stores is to empower stakeholders by allowing them to envision and explore contemporary designs and technologies

for modern living. Today, consumers do not merely buy products or services; they embrace a unique experience, which is the objective behind the creation of these display centres.

These also showcase international brand Queo from Barwood, UK, a complete range of bathroom products, designed by reputed international designers.

We have expanded the dealer network, Gallerias and shop-in-shops coverage across India, driving higher sales. We have also enhanced thrust on increasing coverage across Tier II and III towns to widen presence and deepen reach.

E-commerce platform: We have enhanced our exposure in various e-commerce platforms as an additional distribution channel for our building products.

125+

Hindware Galleria across India

3

Hindware Lacasa

500

Shop-in-shops

FORWARD FOCUS STRATEGY

- ❖ Reinforce leadership position in India's sanitaryware segment, by continuously increasing market share
- ❖ Develop new products, designs and variety to maintain the competitive edge of having the widest product basket
- ❖ Enhance proportion of value-added products in the overall product mix
- ❖ Elevate the customer service levels, ensuring happy customers
- ❖ Invest in latest technology and process reengineering for better efficiency
- ❖ Deepen our global footprint in new, as well as existing geographies





PACKAGING PRODUCTS DIVISION

We are one of the largest manufacturers of packaging products in India. We manufacture glass containers, plastic containers, plastic caps and closures, as well as specially coloured bottles. We aspire to add more products to our list.



₹ 905.65 Cr

Net sales from Packaging Products Division in 2014-15

49.74%

Contribution to total net sales

INDUSTRIES CATERED

Liquor

Beer

Food and beverages

Chemical

Pharmaceuticals

FLAGSHIP BRANDS



PRODUCTION CAPACITY

Products	Facility	Capacity
Glass Containers (tonnes per day)	Sanathnagar, Hyderabad, (Telangana)	650
	Bhongir (Telangana)	950
PET Bottles (tonnes per annum)	Dharwad (Karnataka)	2,450
	Selaqui (Uttarakhand)	7,050

MARQUEE CLIENTS

Abbott Healthcare
Anheuser-Busch InBev
Apex Laboratories
AstraZeneca
Carlsberg
Creative Healthcare
Dr. Reddy's Laboratories

Global Green Company
GSK Consumer Healthcare
GSK Pharma
Geno Pharma
Himalaya Drug
Hindustan Coca Cola
Beverages

Hindustan Unilever
Jagatjit Industries
John Distilleries
Molson Coors
Nestle India Limited
Pernod Ricard India
Pepsi Co. India

Pfizer
Radico Khaitan
Reckitt Benckiser
SABMiller
United Breweries
United Spirits

**FORWARD FOCUS STRATEGY**

- » Optimise the cost of manufacturing glass containers
- » Develop new designs of bottles for existing as well as new customers
- » Develop value-added products for strengthening realisation
- » Grow the volume of PET bottle business
- » Develop PET bottles for new industry applications
- » Focus on new product developments to cater to more customer needs

SOCIAL EQUITY

HSIL is committed to sustainable socio-economic development and endeavours to build a better connected world in which everyone can share everything. We pay consideration to the demands and concerns of our various stakeholders, while respecting and working to develop the communities and environment in which we operate.

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Forward with foresight



skill development for the local people of Bahadurgarh area as well. A free healthcare facility for the people of Bahadurgarh is another. These initiatives are long-term projects solely dedicated for empowering women and youth to live a better life. They are as follows:

PROJECT SAMARTH

Project Samarth is a dedicated four months course on tailoring and stitching for women. The main objective of this programme is to impart valuable skills, which will enable women to be self-dependent, either be self-employed or attain employment. This initiative began in the year 2012 and 280 students have benefitted from it.

KUSHAL VIKAS

Kushal Vikas is a basic certified computer training programme. Focused towards empowerment of the local people, the programme aims to help students attain an edge to find employment. The initiative began in the year 2014 and 20 students have been certified till date.

SWASTHA SAMPADA

Swastha Sampada is a free healthcare facility initiative. The clinic is situated within the compounds of HSIL Limited. Well equipped with medical staff, which includes a male and a lady doctor as well as a dispensary, it provides care to HSIL workers, their family members as well as local people around nearby villages. The initiative began in the year 2014 and on an average 70 patients per day avails its service.

Over the past five decades HSIL has touched millions of lives. Be it through adoption of technology making water efficient products, using alternate fuel or through community initiatives. We pay consideration to the demands and concerns of our various stakeholders, while respecting and working to develop the communities and environment in which we operate.

Bahadurgarh holds a special place for HSIL. The association goes back over 55 years and the relationship is not only precious but have been rewarding for both. Lending a helping hand to the local community has always been a constant endeavour for

HSIL, which gradually took the shape of being long term and sustainable. This led to a meeting with the Haryana Government to identify a much needed necessity. The answer is the 8000 sq. ft. 'Krishna Somany Memorial Anathalaya'.

Built in 2004 by Krishna Somany Charity Trust, HSIL Limited undertook the responsibility to build another floor in 2014 to ebb the shortage of accommodation for orphans in the region. Today it houses over 25 children in the age group 5-18 and serves as a haven.

HSIL has been running various vocational training programmes for social and

FINANCIAL HIGHLIGHTS

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BALANCE SHEET

(₹ in lacs)

	2010-11	2011-12	2012-13	2013-14	2014-15
Equity Share Capital	1,320.97	1,320.97	1,320.97	1,320.97	1,445.97
Reserve and Surplus	27,883.32	36,590.40	44,184.51	47,414.50	54,358.03
Share Premium	21,144.82	21,144.82	21,144.82	21,144.82	45,497.87
Business Reconstruction Reserve	19,767.37	42,267.37	42,267.37	42,267.37	42,267.37
Loan Fund *	39,366.16	84,801.61	1,01,089.66	1,11,185.54	76,754.52
Deferred Tax Liability	7,311.84	7,382.86	11,008.86	11,540.41	10,449.86
Other Long Term Liabilities (excluding trade deposits)	294.78	218.15	228.95	201.02	186.57
Long Term Provision	233.17	293.79	393.11	422.11	470.67
Total	1,17,322.43	1,94,019.97	2,21,638.25	2,35,496.74	2,31,430.86
Gross Block	1,06,205.69	1,39,809.21	1,80,209.52	2,03,930.27	2,22,993.90
Less: Depreciation	28,220.58	33,611.36	41,886.93	55,207.16	67,040.21
Net Block	77,985.11	1,06,197.85	1,38,322.59	1,48,723.11	1,55,953.69
Capital Work-in-Progress (including capital advances)	5,621.24	36,859.02	9,437.29	15,042.62	4,542.08
Investments	7,621.16	18,646.72	19,706.93	13,274.00	14,448.58
Long-term loans and advances (excluding capital advances)	957.87	2,003.52	1,538.15	1,868.58	1,599.34
Other non-current assets	535.84	541.31	155.01	169.50	135.58
Current Assets					
Current Investment	2,417.07	-	-	-	-
Inventories	20,698.96	27,327.53	36,206.83	40,573.00	43,571.44
Sundry Debtors	16,148.08	22,471.22	35,109.80	40,937.84	40,674.66
Cash and Bank	2,003.44	7,140.49	7,920.49	5,846.90	2,396.46
Loans and Advances	4,276.58	4,757.96	6,157.68	3,848.54	4,659.34
Other Current Assets	40.19	108.45	128.32	194.41	203.22
Current Liabilities					
Trade payables	8,283.93	10,625.97	13,166.92	13,710.00	12,850.89
Other Current Liabilities (other than current maturities of long term borrowings)	10,479.84	18,643.56	17,375.07	18,508.85	19,965.90
Short-term provisions	2,219.34	2,764.57	2,502.85	2,762.91	3,936.74
Net Current Assets (Working Capital)	24,601.21	29,771.55	52,478.28	56,418.93	54,751.59
Total	1,17,322.43	1,94,019.97	2,21,638.25	2,35,496.74	2,31,430.86

* Loan Fund = Long Term Borrowing + Short Term Borrowing + Trade Deposits + Current Maturities of long term borrowings.

STATEMENT OF PROFIT & LOSS

(₹ in lacs)

	2010-11	2011-12	2012-13	2013-14	2014-15
Gross Turnover	1,10,632.50	1,42,214.52	1,68,189.20	1,85,571.06	1,96,502.76
Less: Excise Duty	7,395.55	9,929.88	13,161.18	13,887.77	14,413.80
Net Turnover	1,03,236.95	1,32,284.64	1,55,028.02	1,71,683.29	1,82,088.96
Other Income	2,344.88	2,201.35	2,806.21	3,338.22	3,974.36
Total Income	1,05,581.83	1,34,485.99	1,57,834.23	1,75,021.51	1,86,063.32
Purchase of Traded Goods	15,855.94	21,274.04	22,524.97	28,867.21	32,814.14
Power and Fuel	19,904.74	27,269.87	39,654.64	37,701.70	28,012.20
Manufacturing, Administrative and Other Expenses	36,652.95	46,096.43	53,411.43	64,320.34	71,026.89
Employee Cost	11,508.78	14,017.79	15,832.76	17,020.54	19,705.19
Total Expenses	83,922.41	1,08,658.13	1,31,423.80	1,47,909.79	1,51,558.42
EBITDA	21,659.42	25,827.86	26,410.43	27,111.72	34,504.90
Depreciation and Amortisation	5,349.81	5,670.28	8,507.78	10,570.48	11,925.11
EBIT	16,309.61	20,157.58	17,902.65	16,541.24	22,579.79
Interest	3,563.27	3,891.21	6,394.16	6,789.43	7,355.15
PBT before Exceptional Items	12,746.34	16,266.37	11,508.49	9,751.81	15,224.64
Exceptional Items	-	-	2,366.30	-	-
Profit before tax	12,746.34	16,266.37	13,874.79	9,751.81	15,224.64
Income Tax	2,111.15	5,185.45	336.55	4,249.81	5,676.15
Deferred Tax	1,899.99	71.02	3,626.00	(117.97)	(866.48)
Profit After Tax	8,735.20	11,009.90	9,912.24	5,619.97	10,414.97
Cash Profit	15,985.00	16,751.20	22,046.02	16,072.48	21,473.60

RATIO ANALYSIS

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Annual Report 2014-15

KEY PERFORMANCE INDICATORS

(₹ in lacs)

	2010-11	2011-12	2012-13	2013-14	2014-15
Networth *	50,349.11	59,056.19	66,650.30	69,880.29	1,01,301.87
Capital Employed **	1,16,794.48	1,93,508.03	2,21,016.20	2,34,873.61	2,30,773.62
Average Capital Employed	1,09,948.89	1,55,151.25	2,07,262.11	2,27,944.90	2,32,823.62
Average Loan Funds	44,140.96	62,083.89	92,945.64	1,06,137.60	93,970.03
Cash Profit	15,985.00	16,751.20	22,046.02	16,072.48	21,473.60
Net Domestic Turnover	96,732.96	1,24,806.72	1,45,693.81	1,62,155.96	1,68,540.58
Export Turnover	6,503.99	7,477.92	9,334.21	9,527.33	13,548.38
Dividend (%)	125.00	150.00	150.00	150.00	175.00
Market Price - (₹) (End of year at NSE)	132.65	143.65	91.05	130.85	450.60
Total Dividend Payout (including Dividend Tax)	1,919.02	2,302.82	2,318.13	2,318.13	3,036.30
Retained Earnings	6,816.18	8,707.08	7,594.11	3,301.84	7,378.67

* Networth=Equity Share Capital+Reserve - Miscellaneous Expenses - Business Reconstruction Reserve

** Capital Employed = Networth + Loan Funds + Deferred Tax Liability + Business Reconstruction Reserve

BALANCE SHEET RATIOS

	2010-11	2011-12	2012-13	2013-14	2014-15
Return on Networth (%)	17.35	18.64	14.87	8.04	10.28
Return on Average Capital Employed (%)	14.83	12.99	8.64	7.26	9.70
Debt Equity Ratio	0.78	1.44	1.52	1.59	0.76
Debtors Cycle (Days)	53	58	76	81	76
Inventory Cycle (Days)	73	75	85	86	87
Net Current Assets Turnover (Days)	87	82	124	120	110
Turnover/Net Current Assets	4.20	4.44	2.95	3.04	3.33
Turnover/Inventory	4.99	4.84	4.28	4.23	4.18
Turnover/Capital Employed	0.88	0.68	0.70	0.73	0.79
Turnover/Net Block	1.32	1.25	1.12	1.15	1.17
Net Block/Capital Employed	0.67	0.55	0.63	0.63	0.68
Working Capital/Capital Employed	0.21	0.15	0.24	0.24	0.24

STATEMENT OF PROFIT & LOSS RATIOS

	2010-11	2011-12	2012-13	2013-14	2014-15
Domestic Sales/Turnover	93.70	94.35	93.98	94.45	92.56
Export Sales/Turnover	6.30	5.65	6.02	5.55	7.44
Excise/Turnover	7.16	7.51	8.49	8.09	7.92
Margins (%)					
EBITDA Margin	20.98	19.52	17.04	15.79	18.95
EBIT Margin	15.80	15.24	11.55	9.63	12.40
Pre Tax Profit Margin	12.35	12.30	7.42	5.68	8.36
PAT Margin	8.46	8.32	6.39	3.27	5.72
Expenses					
Goods Purchased for Resale/Total Expenses	18.89	19.58	17.14	19.52	21.65
Power and Fuel/Total Expenses	23.72	25.10	30.17	25.49	18.48
Manufacturing, Administrative and Other Expenses/Total Expenses	43.67	42.42	40.64	43.49	46.86
Employee Cost/Total Expenses	13.71	12.90	12.05	11.51	13.00
Interest Cover (times)	6.08	6.64	4.13	3.99	4.69
Cost of Debt (%)	8.07	6.27	6.88	6.40	7.83
Per Share Data (₹)					
EPS (Face Value ₹ 2/-)	14.47	16.67	15.01	8.51	15.70
CEPS (Face Value ₹ 2/-)	26.48	25.36	33.38	24.34	32.38
Book Value (₹)	76.23	89.42	100.91	105.80	140.12

BOARD OF DIRECTORS



1



2



3



4



5



6



7



8



9

1. Rajendra Kumar Somany

Chairman and Managing Director

Since: 09.01.1988 (Associated with the Company since 01.10.1965)

- ◆ Commerce graduate from St. Xavier's College, Calcutta University
- ◆ Provides strategic direction and vision to the Company
- ◆ Extensive 60-year work experience
- ◆ Active member of Rotary for past 53 years
- ◆ Executive Committee member of Indian Green Building Council (IGBC)
- ◆ Chairman of Indian Plumbing Skills Council (IPSC)
- ◆ Presented with 'Lifetime Achievement' honour by Washroom & Beyond, reputed trade magazine
- ◆ Presented with 'Lifetime Achievement' award by Indian Plumbing Association (IPA)
- ◆ 'World Leader Businessperson' recognition by the World Confederation of Business
- ◆ Assisted the Bureau of Indian Standards to develop quality standards for the Sanitaryware Industry and instrumental in aligning the Indian Standards with European counterparts
- ◆ Former Chairman of Council of Indian Employers
- ◆ Former President of The Associated Chambers of Commerce and Industry of India (ASSOCHAM) and PHD Chamber of Commerce and Industry (PHDCCI) and Employers' Federation of India
- ◆ Founder President of Bahadurgarh Chamber of Commerce and Industry
- ◆ He is a Emeritus member of Institute of Directors, American Ceramic Society, Institute of Materials, Minerals and Mining, UK (IOM³) and life fellow of the All India Management Association.

2. Sandip Somany

Joint Managing Director

Since: 11.11.1994 (Associated with the Company since 01.10.1985)

- ◆ Commerce graduate and a diploma holder in Ceramic Manufacturing Technology from the US
- ◆ A 30-year work experience in the ceramics and glass industry
- ◆ Former President of PHD Chamber of Commerce and Industry (PHDCCI)
- ◆ President of International Chamber of Commerce - (Headquarter in Paris) India Chapter
- ◆ Member of the Executive Committee of FICCI
- ◆ Member of Managing Committee of ASSOCHAM
- ◆ Chairman of the Indian Council of Sanitaryware Manufacturers (INCOSAMA)
- ◆ Member of the Governing Council of All India Glass Manufacturer's Association

3. Sumita Somany

Since: 29.05.2014

- A Commerce Graduate
- Whole-time director of Hindware Home Retail Private Limited (HHRPL)

4. Ashok Jaipuria

Since: 15.05.2004

- Qualified in Business Administration and Marketing Sciences
- Chairman and Managing Director of Cosmo Films Limited, an Indian MNC, which is into manufacture and export of Biaxially Oriented Polypropylene (BOPP) Films
- Chairman of Cosmo Ferrites Limited
- Member of the Board of Governors of the Indian Institute of Technology, Indore
- Former Executive Committee Member of Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi
- Member of Audit Committee and Nomination and Remuneration Committee of the Company

5. G. L. Sultania

Since: 09.01.2006

- B.Com, F.C.A., F.C.S. and consultant by profession
- Possesses vast knowledge and experience of Financial Restructuring, Corporate Laws and Legal Compliance
- Member of Stakeholders' Relationship (Shareholders'/ Investors' Grievance) Committee of the Company

6. N. G. Khaitan

Since: 29.06.1996

- Attorney-At-Law and a Notary Public appointed by the Government of India
- Practises in the Calcutta High Court and in the Supreme Court of India
- Senior partner at Khaitan & Co., one of the leading law firms in India
- Awarded Bell Chamber's Gold Medal by the Incorporated Law Society, Calcutta High Court, for standing first in all the Law examinations
- President of the Indian Council of Arbitration, New Delhi
- Vice President of Bharat Chamber of Commerce and The Agri-Horticultural Society of India
- Executive Committee member of the Federation of Indian Chambers of Commerce and Industry (FICCI), New Delhi
- Executive Committee member of two leading schools in Kolkata
- Director to various companies
- Chairman of the Company's Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee of the Company
- Member of Audit Committee of the Company

7. Dr. Rainer Siegfried Simon

Since: 18.05.2011

- ◆ A German Citizen, professional with over 30 years of experience in international Building Products Businesses
- ◆ A Doctorate and has a degree in Business Administration from St. Gallen University, Switzerland
- ◆ Owner of Birch Court GmbH since 2005
- ◆ Former President and CEO of Sanitec International AG (Europe's largest Sanitaryware manufacturer)
- ◆ Held Senior Management positions at Friedrich Grohe AG (largest player in faucet business in the world), Continental AG and Keiper-Recaro and others
- ◆ Chairman of the Supervisory Board of Joyou AG Hamburg, Nan'an China
- ◆ Member of the Board of Uponor OY Helsinki Finland, Haikui AG Hamburg, Dongshan China and Lecico Egypt S.A.E.

8.V. K. Bhandari

Since: 17.01.2004

- ◆ An FCA with over 33 years of experience in the Banking Industry
- ◆ Former General Manager of the Central Bank of India and had been the Head of Credit, Credit Monitoring, Treasury, Investment, Funds Management, Merchant Banking and International Banking Divisions
- ◆ Chairman of the Company's Audit Committee
- ◆ Member of Stakeholders Relationship (Shareholders'/ Investors' Grievance) Committee and Nomination and Remuneration Committee of the Company

9. Salil Bhandari

Since: 29.05.2012

- ◆ An FCA, B. Com. (Hons.) from Shri Ram College of Commerce, Delhi University and Diploma in Business Administration from the All India Council for Management Studies, Chennai
- ◆ Founder and Managing Partner of BGJC, a well-respected audit and management consulting firm based in New Delhi
- ◆ Counselling top management in strategy implementation, scaling up of business, organisational development and management and family structures.
- ◆ Former President of the PHD Chamber of Commerce and Industry
- ◆ Former Chairperson of Society for Integrated Development of Himalayas (SIDH) from 1989 to 2006 and Child Fund India from 2005-09
- ◆ Was the member of Task Force - Commission on Centre State Relations, Govt. of India in 2008
- ◆ Was a Managing Committee member at ASSOCHAM from 2005 to 2011
- ◆ Was a member of the Advisory Committee, Dept. of Company Affairs, Govt. of India from 2003 to 2005
- ◆ Currently on the Board of the Indian Institute of Management (IIM), Indore
- ◆ Chairman of Nomination and Remuneration and Corporate Social Responsibility (CSR) Committee of the Company
- ◆ Member of Audit Committee and Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee of the Company

MANAGEMENT DISCUSSION AND ANALYSIS

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Annual Report 2014-15



3rd

India is also expected to emerge as the world's 3rd largest construction market by 2020

In a rapidly changing business environment, the only way forward is to try to anticipate trends and shape strategies accordingly to create long-term value. Our approach at HSIL is to engage with potential customers, listen to their perspectives and understand their aspirations with sensitivity. That provides us the insight to manufacture products, which can address the evolving needs and concerns of a wide cross-section of consumers.

India's youth bulge, economic development, attention on infrastructure creation and social prosperity also encourage us to think innovatively and cater to growing customer aspirations. We closely follow emerging trends across geographies to

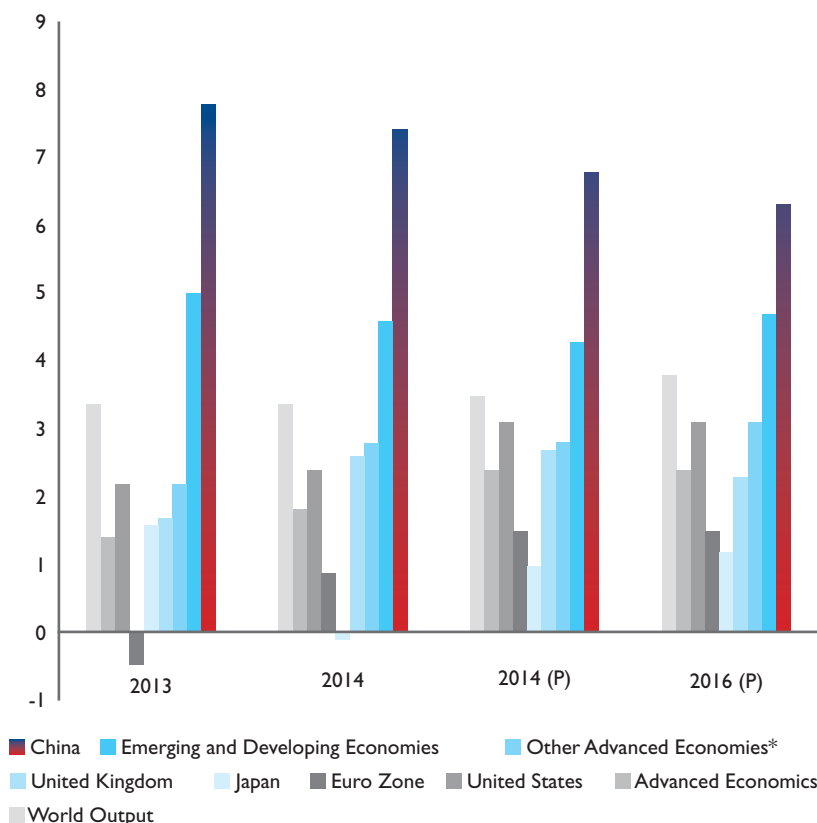
bring a 'refreshing experience' in people's life. We are equipped to move forward in step with a transformational India.

GLOBAL ECONOMY

The global economy witnessed marginal growth during 2014-15 and the pattern of growth was uneven across geographies with consequent impact on currencies. While the US economy performed relatively well, Eurozone was in deep trouble. Also, the spectre of deflation haunted Japan, China saw its growth slowing down. Another major event to have dominated the economic landscape during the year was the steep decline in global crude prices and a general softening in commodity prices.

Global growth trend

(%)



(P stands for provisional) (Source: International Monetary Fund 2015)

India passes China to become the fastest growing economy

Supported by a sharp rise in manufacturing, the Indian economy grew 7.5% in the January-March quarter, 2015, putting it ahead of China as the world's fastest growing large economy. China recorded 7% economic growth during the same period. (Source: Hindu Business Line)

INDIAN ECONOMY

The Indian economy is definitely in better shape, aided by policy initiatives of the new government. More reforms across all sectors are awaited, but the government has managed to garner some success in bringing the economy back on track, fuelling confidence levels of consumers and investors.

The new government is focusing on providing affordable housing. The existing gap is a huge demand to fulfil. The other two crucial initiatives – 'Clean India' campaign or 'Swachh Bharat', which aims to create facilities towards eradicating the problem of open defecation by 2019 and the 'Made in India' Campaign – bring all round hope and optimism.

India is also expected to emerge as the world's 3rd largest construction market by 2020 with a projected 50% of India's population, expected to live in cities in the near future. Little doubt, the key to India's growth will be its growing middle class population across urban, semi-urban and rural areas. And, the country's young aspirational population with high disposable income will continue to be the principal growth driver of the economy.

The Indian economy grew 7.5% in the January-March quarter, 2015, putting it ahead of China as the world's fastest growing large economy.

69%

Rural households don't have access to proper and safe sanitation

19%

Urban households don't have access to proper and safe sanitation

(Source: TechSci Research)

85%

The top three Indian players have over 85% share of the organised market.



Indian GDP trend

Sectors	2013-14		2014-15*	
Agriculture, forestry & fishing		3.7		1.1
Industry		4.5		5.9
Services		9.1		10.6
GDP at market prices		6.9		7.4

(Source: CSO *Advance Estimates)

BUILDING PRODUCTS INDUSTRY

Sanitaryware and bathroom fittings

India's sanitaryware market has been following an upward trajectory over the last few years. The country has emerged as a major bath and sanitaryware market in the Asia Pacific. India's sanitaryware market consists of organised and unorganised players, with organised players holding the majority share in terms of value. However, in terms of volume unorganised players are predominant.

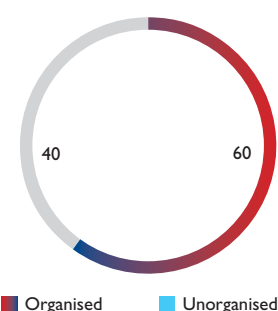
Sanitaryware market

India's sanitaryware industry grew at a compound annual growth rate (CAGR) of 18.1% in 2010-14. The industry size is estimated to be around ₹ 35 billion in 2015 and is expected to grow at a CAGR of 12% till 2017. The organised market

will grow at a higher rate of 14-15% owing to the increasing number of foreign players, rising urbanisation and growing demand for premium range of products (Source: JM Financial).

Sanitaryware - market mix – industry size ~₹ 35 billion in 2015

(%)



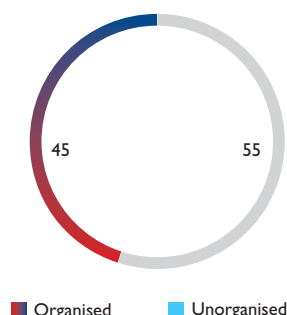
(Source: JM Financial)

Bath fittings – faucet market

India's faucet market grew at a CAGR of 16.7% in 2010-14. The industry size is estimated to be around ₹ 60 billion in 2015 and is expected to grow at a CAGR of 15% till 2017 (Source: JFM Financial).

Bath fittings - faucet – industry size ~₹ 60 billion in 2015

(%)



(Source: JFM Financial)

Demand drivers

Housing shortage

The government aims to develop about 11 crores of housing units, including developments to counter the current shortage of about 6 crore units. Besides, the government plans to provide housing to all Indian citizens by 2022. The housing need is almost equally distributed in urban and rural areas in the range of 5-6 crore units and primarily consists of affordable houses.

Particular	(crore units)		
	Urban	Rural	Total
Current housing shortage	1.9	4.0	5.9
Required housing units by 2022	2.6-2.9	2.3-2.5	4.9-5.4
Total need	4.4-4.8	6.3-6.5	10.7-11.3

(Source: Funding the vision - Housing for all by 2022 - KPMG India 2014)

Moreover, the Smart Cities Mission announced by the Indian Government requires ₹ 48,000 crores (US\$ 7.75 billion) to

be spent over the next five years in building the proposed 100 smart cities in India.

With new residential and commercial establishments expected to come up, the demand for sanitaryware will also strengthen. Additionally, builders too have started to understand the importance of having bathrooms with a premium look, as demand for such units is rising. Indian customers are gradually purchasing more premium and technology-driven products due to their growing earnings and propensity to spend. The returns on high-end flats are better to real-estate players.

Demand for premium products

More people in India are seeing sanitaryware products, rather bathroom products as a medium through which they can showcase their wealth and premium lifestyle. This has caused the sanitaryware market to gradually incline towards creating a premium, niche segment within their offerings. This shift from the mid-segment to the premium sub-segment has been largely due to the result of higher spending power and change in perceptions of bath products as lifestyle products.

Urbanisation and rise in middle class

The movement of population to town and cities for jobs is resulting in urbanisation. By 2025, India will have six megacities, accommodating a population of 10 million or more. As per estimates, India will have 63 cities with a population of one million or more, compared to 43 cities in 2011 (Source: PwC). Increasing urbanisation and awareness for basic sanitation will create more demand for sanitaryware in the coming years.

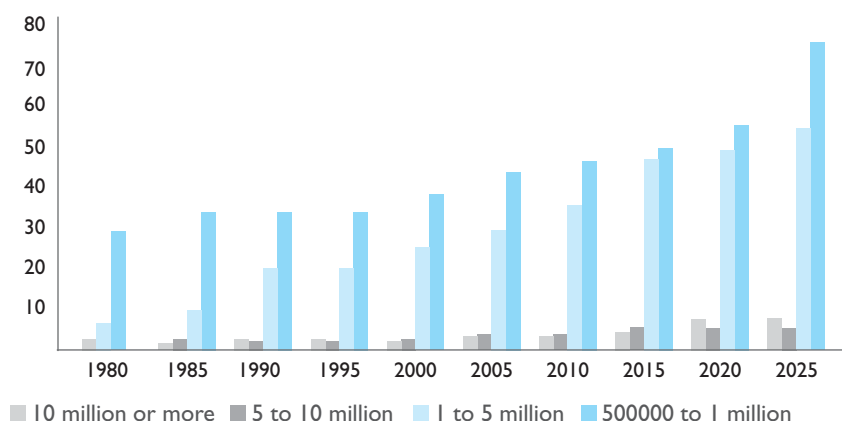
India has the potential to become the world's largest middle class consumer market with total consumer spend of nearly US\$ 13 trillion by 2030 (Source: Deloitte report titled 'India matters: Winning in growth markets'). This segment is embracing international lifestyles, translating into a surge in for modern amenities.

41.8%

Urban population will account for 41.8% of the total population by 2030.

Urban agglomerations in India between 1980-2025

(million)



(Source: World Urbanisation Prospects: The 2011 Revision, PwC analysis)

₹ 1,96,600 Cr

Through the Swachh Bharat Abhiyan, the government aims to make India free from the practice of open defecation by 2019, by constructing over 11 crores rural toilets at an earmarked expenditure of ₹ 1,96,600 crores.

Government initiatives for better sanitation

According to the UNICEF, 638 million people in India lack proper sanitation facilities.

Public toilet promotions, such as installing 'Sulabh' toilets in public places, as well as various policies commenced by the government to reduce housing shortages will augur well for industry players.

Swachh Bharat Abhiyan

Through the Swachh Bharat Abhiyan, the government aims to create facilities that will completely stop the need to defecate in the open, by 2019. The government plans to achieve this by constructing over 11 crores rural toilets by 2019 at a earmarked expenditure of ₹ 1,96,600 crores.

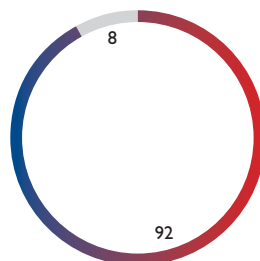
This initiative is not just about building toilets but instilling a behavioural change and inculcating a habit of hygiene, sanitation and cleanliness. Although there may not be any immediate impact on industry players, but this habit ingrained, will result in long-term benefit for the industry on whole.

Replacement market

The demand for replacement market in the sanitaryware industry has been low in India (8%), compared to developed countries (80%). The average life of a bathroom in urban India is expected to come down from 20 years to less than 10 years as urban Indians are upgrading their spaces at a faster pace. This up-gradation will be in the form of refreshing designs and improved fixtures.

8% is the replacement demand in India

(%)

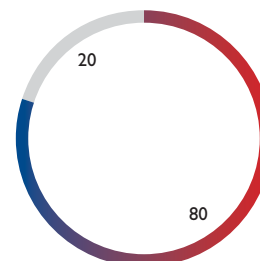


■ Developed countries replacement demand

■ India replacement demand

80% is the replacement demand in developed economies

(%)



■ Developed countries replacement demand

■ Developed countries new demand

(Source: JM financial report)

Building Products Division

HSIL is the leading player in the Indian organised sanitaryware market and the largest manufacturer of bathroom products. With a capacity of 3.8 million pieces of sanitaryware products and plants located at Bahadurgarh (Haryana) and Bibinagar (Telangana), the Company has persistently tried to reinvent itself through sustained focus on technology and design. HSIL also manufactures faucets with a capacity of 3 million pieces per annum, of which 2.5 million pieces Greenfield plant is recently commissioned at Kaharani, Rajasthan. We provide an array of building

products ranging from sanitaryware, faucets, wellness products, kitchen appliances and vents. We are well equipped with best-in-class technologies, a wide product basket and high quality standards.

We have taken the following steps to maintain our competitive edge:

- We expanded the premium product range, considering the increasing urbanisation and changing preferences of affluent India
- Created a line of innovative products, keeping sustainability in mind

- Invested on brand building exercises with several below the line (BTL) and above the line (ATL) activities
- Continued strengthening the operating framework with better efficiencies across all parameters
- Continued enhancing of the distribution network to Tier II and Tier III cities, to firm our footprints in far reaching regions

Divisional performance

(₹ lacs)

	2013-14	2014-15	Percentage change
Revenue (gross)	92,927.65	98,698.90	6.21
Operating profit	19,701.75	19,903.58	1.02
Capital employed	87,676.06	94,991.35	8.34

Key differentiators

Brands across segments: We cater to various customer segments through our well-known sanitaryware brands. These brands are QUEO (luxury); hindware Italian Collection, hindware Art and Hinware (premium segment) and Benelave (value for money). Our cost-effective range that focuses on affordability is Raasi. Our convenient categorisation of the entire range into tiers makes it easy for customers to shop.

We have entered into an exclusive distribution agreement with Groupe Atlantic of France, a US\$ 1.5 billion company - experts in all types of heating systems and home comfort appliances, with a worldwide presence. They are number one in France and among the top players in this category in Europe. We foresee this alliance help us import water heaters for the Indian market, co-branded as 'hindware – atlantic'.

Wide distribution network: We market products across India through our strong network of over 3000+ dealers and 19,000+ retailers, enabling higher penetration in Tier I, Tier II and Tier III cities.

Strong R&D expertise: We have a state-of-the-art ultra-modern R&D facility, with the latest equipment to ensure superior quality and improved manufacturing process. We are the first company in the sanitaryware industry with in-house

R&D facility, recognised by the Ministry of Science & Technology, Government of India (GOI). We also have a strong R&D pipeline with a focus on Green Building Products.

Water conservation technology: With increasing environmental awareness, customers are moving towards eco-friendly bathroom products and fittings that help in the conservation of water. Solutions such as high-efficiency flushing systems, sensor taps and showers are gaining importance. HSIL was the first company to introduce water efficient products in the market, such as the exclusive eco-ware range of 'Star Rated' water efficient closets. One can save over 65,000 litres of water a year using these products.

Faucet plant technology: HSIL has invested in global technologies which enhances product quality, lowers manufacturing cost, optimises capacity utilisation and maintains consistency. We are the first manufacturer in India and the second in Asia to introduce robotic grinding and polishing technology. This technology ensures flawless surface for every manufactured piece.

Quality: All our plants are recognised for their top-tier quality and environment-friendliness. We have received ISO 9001:2000, ISO 14001 and OHSAS 18001: 1999 certifications. The Institute for Testing and Certification, Czech Republic





too conducted an assessment last year and issued the CE certification to both Bahadurgarh and Bibinagar plants for complying with European, harmonised technical standards.

Customer service: When it comes to our service philosophy, agility and responsiveness are the two pillars of focus. Through our 22 after sales service centres located across India, servicing 600+ districts, 'hindware Care' is a toll free helpline active 6 days a week. With a fleet of 300+ in-house certified service engineers, we strive to nurture great relationships to create better experiences for our stakeholders.

Branding: We have 360-degree marketing communication plans for our brands. We have roped in Shah Rukh Khan as our brand ambassador for the hindware and Jacqueline Fernandez for our luxury brand, Queo, to further enhance visibility and top-of-mind recall.

Highlights, 2014-15

- We have begun production at our Greenfield faucet plant at Kaharani. The plant has the capacity to manufacture 2.5 million pieces per year and is the country's first bath-fitting plant with robotic technology

Outlook

The outlook for creating new, unique products is positive given the rising demand for such categories. These are gaining popularity because they are aesthetically pleasing, eco-friendly and technologically advanced.

The sanitaryware industry is expected to perform better owing to political stability, consistent focus on reforms and growing investments in infrastructure. With growing affluence, more people will shift towards contemporary products in the bathroom products' segment. In addition, nuclearisation of families and the need for personal space will

The sanitaryware industry is expected to perform better owing to political stability, consistent focus on reforms and growing investments in infrastructure.

increase the demand for such products. The government's focus on cleanliness, sanitation and house for all are also expected to increase sales.

At HSIL, our foresight has always stood us in great stead and we are shaping our future strategies in line with the evolving macro-scenario and laying the foundation to become a 'complete bathroom solutions' provider.

PACKAGING PRODUCTS INDUSTRY

Container Glass Segment

Container glass plays a critical role in the packaging industry. Sectors using container glass include liquor and beer segment, food and beverages, the pharma industry as well as the cosmetics industry and perfumeries. Growth in per capita income, changing lifestyle patterns and focus on health awareness are some of the key drivers of this product segment.

Increasing competition, necessity for labelling of quality, quantity and price of goods according to government approved norms and preferences for packaged goods are some of the factors that have resulted in innovation and introduction of technology in the packaging market.

According to TechNavio, the global container and packaging giant, the market is expected to grow at a CAGR of 6.87% over the period 2014-19. India's packaging industry is growing constantly and the total worth is about US\$ 8.7 billion. The average annual growth rate is about 13-15%. (Source: www.indiapack.org)

There is significant headroom for growth as India's per capita consumption of packaging is only 4.3 kgs, whereas in neighbouring Asian countries like China and Taiwan, the consumption is about 6 kgs and 19 kgs, respectively. This shows that there are many more products,

which need to be promoted in packaged conditions. Such a scenario reflects a great business opportunity for India's packaging industry (Source: www.indiapack.org).

Advantage glass

Glass packaging with numerous advantages is preferred in India's consumer packaging market. It is inert, odourless, impermeable and re-usable. Glass can also be recycled without losing its intrinsic quality.

Consumer's acceptance of glass as a premium medium has helped several end-use manufacturers to better brands of their products. In the alcoholic beverage sector, glass is preferred for its barrier properties compared to rigid plastics. In the cosmetics sector, it is preferred for both its unique design possibilities and premium feel. Demand for carbonated soft drinks, especially from the rural and semi-urban markets continues to grow and the industry uses returnable bottles made of glass.

Adoption of the latest technologies and usage of automated machines in the manufacture of glass containers in the country has grown in the last decade. The traditional methods (mouth blown and handicraft processes) are used to make decorative and glass tableware products for the domestic and export markets. The Adoption of Narrow Neck Press & Blow (NNPB) technology has also helped India's manufacturers to deliver light weight glass packaging solutions to their end users.

There are various factors fuelling the demand for glass packaging in the country. Some of these are:

- Positive economic outlook for the key users of glass as a packaging medium that pushes demand
- Glass is inert and there is no change in taste and odour of the food items packaged in it

- Glass can be moulded into any shape or intricate design, hence it's attractive
- Glass can be used for high-speed fillings, thus saving time and increasing profitability
- Glass containers made from cullet or weight reduction technology save energy. Every ton of glass recycled saves 322 Kwh of energy, 246 kg of CO₂ and 1.2 tonnes of virgin raw material
- Glass is 100% recyclable

Demand drivers

Favourable demographics

India's young population, progressive shift from un-branded to branded products and rise of organised retail provide thrust to demand. These factors are expected to drive growth for the user industry, in the future.

Growth in end-user segment

Sustained demand from the user industry group has been the key growth driver for the packaging products segment. Among the user groups, liquor and beer represent the largest user segments of container glass. These segments constitute more than 50% of the requirement and have been growing at 10-12% annually. Food and beverage, soft drinks, and pharmaceuticals account for the rest and are growing at 12-15% annually (Source: *Emkay Research*). Low per capita consumption of the user industry is also slated to drive growth in glass under the packaging business.

Relevance of health focused green packaging

More and more people are making buying decisions, based on eco-friendly packaging materials that are also aligned to address rising health concerns. Environment friendly packaging is more of a social development among consumers than a marketer's choice. Glass is increasingly becoming more



preferred as a green packaging medium, which is also good for health.

Focus on brand

India's young population is expected to grow significantly in the coming years. Young people are now more brand conscious than before. The aesthetics,

colour scheme, design, shape and size of the packaging affect the choice of the customers, who want to know more about the substance. With more focus on education and general awareness, consumers will ask for branded packaging.

Indian Made Foreign Liquor (IMFL)

The total IMFL market is estimated at around 316 million cases in 2014-15. Select players in the domestic market include United Spirits, Pernod Ricard, Allsied Blenders & Distillers, Radico Khaitan and Jagjit Industries.

Beer

Beer market in the country is estimated at 2.41 billion litres in 2014 valued at ₹ 40,834 crores. United Breweries is the market leader followed by SABMiller. Other select players include Mohan Meakins, Mount Shivalik, Carlsberg, Crown AB, Yuksom Breweries, Devan Modern Breweries and Asia-Pacific Breweries. Over 98% of beer is packaged in glass bottles with crown closures. In 2014, India's per-capita beer consumption reached 1.9 bottles, the lowest among BRIC nations.

Year	Sales volume (billion litres)	Value (₹ crores)	Unit Prices (₹/litre)
2010	1.69	21,606	128
2011	1.89	25,748	137
2012	2.10	30,651	146
2013	2.24	35,335	157
2014	2.41	40,834	169

Estimate: figures rounded off

Non-Alcoholic beverage industry

Demand for carbonated soft drinks, especially for rural and semi-urban markets continue to grow and the industry uses returnable bottles. Analysts forecast that the demand for carbonated soft drinks is expected to grow at a CAGR of 7.5% during 2013 to 2017. According to a report by researcher Business Monitor International, the Indian market of non-alcoholic beverage, comprising carbonated drinks, juices, bottled water, ready-to-drink tea and coffee and sports drinks, is expected to touch US\$ 5.18 billion by 2015.

Carbonated Soft Drinks (CSD) and aerated water (aerated water)

Major players, Coca Cola (ThumsUp, Sprite, Fanta, Coke, Limca) and Pepsico (Pepsi, Miranda, 7Up, Mountain Dew) together account for over 90% of the CSD market. There are more than 100 CSD bottling plants, spread across the country.

Flavoured milk: Demand for flavoured milk has been increasing in recent years. Amul is the market leader with over 70% market share. There are over 80 dairies across India producing flavoured milk. Some of the other select players

15%

The Indian pharmaceutical industry has been consistently growing at a CAGR of more than 15% over the last five years

include Mother Dairy, Nestle, Britannia, CavinKare's 'Cavin brand and milk co-operatives such as Aavin, among others. Flavoured milk is packed largely in glass bottles with crown closures.

Fruit drinks (Hot fill): The fruit juice market is fragmented, with a number of small regional players and a few large players, such as Dabur Foods, Godrej Foods, Parle Agro Products, Pepsi Foods, Pioma Industries and Coca Cola. In the artificially flavoured fruit drinks market, Coca-Cola's Maaza, Pepsi's Slice, Parle's Frooti and Godrej's Jumpin make for popular brands. Fruit-based drinks are largely packed in glass bottles.

Pharmaceutical industry

The Indian pharmaceutical industry has been consistently growing at a CAGR of more than 15% over the last five years. The encouraging growth reveals the intrinsic strengths of the industry and the improving healthcare standards in the country. The major industry drivers comprise the following: the rise of a large number of product processing units, formulations, bulk drugs and other related industries that have catalysed the growth of packaging sector. Besides, many of them are implementing advanced packaging technology to ensure protection, quality and a long shelf life of products. In addition, changing lifestyles and the increasing occurrence of chronic diseases will reinforce the demand for healthcare products and services, and thus encourage growth in the healthcare packaging market.

Food packaging industry

The food packaging segment is expected to grow by 15-20%, backed by increasing demand from the nuclear family system, a growing young population and rising per capita income, a higher tendency to spend, health awareness and a greater acceptance of new products.

Gherkins/Cornichons (export market):

Processed gherkins (preserved in vinegar, acetic acid and brine) are exported from India to Europe, USA, Russia and Canada. Global Green and Neo Foods, both based in Bangalore are the major exporters of gherkins.

Pickles / Preserves: The market for pickles is highly fragmented with a number of regional players and a few large players in the organised sector. Some of the select players include MTR Foods, CavinKare, Desai Brothers, Ushodaya, V.P. Bedekar and Chordia Foods. Pickles are packed predominantly in glass bottles with lug caps / plastic caps.

Sauce / Ketchup: The sauce /ketchup market has three large players – HUL (Kissan), Nestle (Maggi) and Heinz. Except for Heinz which uses glass bottles with lug caps, sauce or ketchup are largely packed in narrow glass bottles with crown closures and plastic closures.

Honey: The honey market has only a few large players, such as Dabur and Lion Honey and a number of small players having local presence. Honey is packed in glass bottles with lug caps.

PET Bottle

Growing demand for consumer goods and the government's large number of initiatives (Make in India campaign being the most prominent) are expected to boost the polyethylene terephthalate (PET) and polybutylene terephthalate (PBT) market. According to the Research & Markets report – 'India PET & PBT resins market forecast & opportunities

2020' – the PET and PBT resins market in India is expected to surpass US\$ 1.9 billion in 2015. Increased demand for PET is driven by replacement of traditional packaging materials like aluminium, paper, metal and growth in the FMCG sector.

HSIL's Packaging Products Division

At HSIL, our foresight and capabilities over the years have made us one of the largest manufacturers of packaging products in India. We manufacture glass containers, plastic containers, plastic closures and caps, as well as specially coloured glass bottles for packaging beverages, food, liquor, beer and pharmaceutical products.

Our divisional growth is the result of a combination of high-quality products with cutting-edge technologies and excellent customer service.

During 2014-15, HSIL took several steps to improve profitability in the segment:

- ▶ We identified various strategic initiatives to improve our operational efficiencies and reduce operating costs
- ▶ Changed over to alternate fuel in container glass production to reduce operational costs
- ▶ Invested in modern technology and equipment to upgrade the quality and functionality of our products to address changing industry trends and consumer requirements
- ▶ Focused on debottlenecking of existing facilities to improve operating efficiencies

Divisional performance

	2013-14	2014-15	Percentage change
Revenue (gross)	95,788.32	1,01,571.91	6.04
Operating profit	9,784.78	17,708.80	80.98
Capital employed	1,32,058.28	1,23,119.18	(6.77)

(₹ lacs)

Key differentiators

Strong relationship with institutional clients: Our packaging products cater to institutional clients across various industries, including liquor, beer, food and beverages, pharmaceutical and chemical industry.

Strategically located manufacturing facilities: All our manufacturing facilities are strategically located so as to serve major customers. Our glass container manufacturing facilities, located at Telangana, caters to the various alcoholic beverage and other bottling operations that are situated in nearby regions.

Stringent quality standards: HSIL follows stringent quality assurance processes to enhance product quality. Our products undergo a series of quality tests and checks, which enable us to ensure lower rejection rates and minimal customer complaints.

Cutting-edge technology: HSIL has adopted an advanced cost-effective technology to manufacture bottles across colours and a wide range of shapes and designs to suit user segments.

Highlights, 2014-15

- ▶ PET production grew from 6,177 Mts in 2013-14 to 6,438 Mts in 2014-15
- ▶ 50 new glass bottles introduced, including 21 light-weight bottle varieties
- ▶ 20 new PET bottles introduced
- ▶ 102 new clients added

Outlook

The demand for glass and PET bottles is likely to grow on account of a trend towards well packaged, branded products rather than the loose and unpackaged formats. Besides rising development in medicine consumption, the acceptance of stricter regulations

and standards governing the production, storage, distribution and labelling of pharmaceuticals will boost growth opportunities for packaging products and accessories.

BUSINESS STRATEGY

Focus on efficient utilisation of manufacturing capacity

- ▶ Stabilise our Greenfield facility in Kaharani (Rajasthan) for manufacturing faucets and bathroom fittings with an estimated installed capacity of 2.5 million pieces. Commercial production started on 1 July 2014. Launching premium range faucets will be its key focus
- ▶ Brownfield expansion of sanitaryware capacities at Bahadurgarh and Bibinagar
- ▶ Focus on debottlenecking of existing facilities for improving manufacturing efficiencies
- ▶ Continue to have a mix of in-house and outsourced manufacturing given premium brands in the portfolio
- ▶ Carry on adopting best practices and standards through product planning, increasing utilisation rates and reducing the unit cost of production

Continue multi-brand strategy across price points

- ▶ Strong emphasis on luxury brands (Queo and Amore) to take the advantage of the trend in consumer preferences moving towards indulgence
- ▶ Queo products are currently being sold through the hindware dealer network. Exclusive stores for Queo are also being setup. There are over 30 already and the target is to reach over 50.
- ▶ Amore products are aimed at the wellness segment and positioned with the theme of 'bathroom as a spa'

- ▶ Plans to strategically use brands, such as Raasi and Benelave to tap into Tier II and Tier III markets

Leverage the brand and distribution network to introduce new synergic products

- ▶ Intend to use its brand equity in the industry and widespread distribution network to market and distribute other related products
- ▶ Over the last few years, HSIL has added products such as faucets, wellness products and kitchen appliances
- ▶ Entered into a distribution agreement with Groupe Atlantic (France) to offer a new product category water heaters in India, manufactured by Atlantic International, an affiliate of Groupe Atlantic, the water heaters will be co-branded 'hindware – atlantic'

Focus on new product development and cost efficiency to improve performance of packaging business

- ▶ Continue to employ cost-effective manufacturing strategies such as the use of alternative fuels for glass furnaces
- ▶ Strengthen relationships with beverage companies through developing new bottle designs, comprising different shapes, sizes and colours
- ▶ Continue working on improving capacity utilisation, which currently is ranging between 75 - 80% in both units.

RISK MANAGEMENT

Risk mitigation at HSIL is the result of foresight to analyse potential market risks and act ahead of the curve. Our objective is to estimate, quantify and counter potential risks through an institutionalised approach.

We have divided the risk radar into five broad sections. We have rated the risk on a scale of 1 to 5 based on the intensity of its possible impact:

1	2	3	4	5
Marginal	Low	Moderate	High	Very High

Managing risk at the corporate level

1 Economy risk 2

Slowdown in Indian economy can bring fluctuations in demand for our products

Mitigation

India is poised to witness sustained high growth, because of the current macroeconomic stability brought about by low inflation, current account deficit and modest fiscal stability. Faster urbanisation and rising per capita incomes are also likely to raise demand for our products. We are present in two business segments - building products and packaging products, giving a diverse income portfolio and protecting the Company from a downturn in any one sector.

2 Liquidity risk 2

We may find it difficult to procure funds for our day-to-day operations

Mitigation

We reduced debtor's cycle and strengthened creditors period across both business divisions. Our working capital cycle stood at 110 days in 2014-15. Moreover, around 24.52% of the Company's total debt comprised working capital loans.

3 Funding risk 1

Our inability to mobilise low-cost funds required for capacity expansion.

Mitigation

We raised ₹ 250 crores from the market through Qualified Institutional Placement (QIP) to reduce interest cost. Now, we enjoy a strong 0.76 debt-equity ratio to fund business expansions. We maintained a ₹ 1,421.23 crores reserve balance as on 31 March 2015; free reserves constituted 70.26% of the reserve and surplus balance. We also have a prudent mix of secured and unsecured loans.

Managing risk at the Building Products Division

1 Industry risk 3

Inability to sustain demand for our products due to industry slowdown

Mitigation

India's sanitation coverage is only 40%. Rising awareness about hygiene and sanitation reflects good industry prospects. Moreover, sanitary products have moved from functional to a lifestyle category, and there is an increase in the proportion of spending on these products. Besides, the real estate and housing

demand is expected to remain buoyant, pushing the demand for building products.

2 Product innovation risk 2

Inability to meet changing customer needs with innovative designs across the product portfolio could affect our growth.

Mitigation

We have the largest product basket of designs in our building products portfolio in India.

Our R&D division is consistently developing products aligned to the evolving industry trends. We have a R&D team that focuses on developing cost-effective, alternative raw materials, improving our manufacturing processes and ensuring quality standards for our products. We launched 50+ new products in our product segments. A significant proportion of the new products launched was at the value-added segment.

3 Competition risk 3

Growing competition from organised and unorganised players might affect the Division's margins

Mitigation

We operate through well established brand names in this vertical as a result of

which our brands have strong customer preference. Our enduring hindware brand stands for product excellence, testifying to industry leadership. We have created products at every possible price point to cater to a wide range of customers. Moreover, we have invested ₹ 50 crores in 2014-15 for consistent brand building through promotional activities to enhance visibility and reach.

4	Quality risk	3
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Inconsistent product quality could lead to customer attrition

Mitigation

Our quality control measures ensure that raw materials, in-process materials and finished products are subject to exhaustive tests in line with international standards. Our products undergo a series of quality tests and checks that enable us to ensure lower rejection rates and minimal customer complaints. We have also received various awards associated with our quality standards. We also continue to ensure on-going improvements in our product development and manufacturing processes to reduce process wastage and improve operational efficiencies.

5	Distribution risk	3
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An inadequate marketing and distribution network might make it difficult to capitalise on emerging opportunities

Mitigation

HSIL today has the largest distribution network in sanitaryware industry today. We have continuously worked on establishing an extensive and strong distribution network across India. We have more than 100 hindware Gallerias, and a number of hindware 'shop in shops'. We have set up three hindware Lacasa display centres. We have also enhanced thrust on increasing coverage across Tier II and III towns to widen presence and deepen reach. We have enhanced our exposure to various e-commerce platforms as an

additional distribution channel for our building products.

Managing risk at the Packaging Products Division

1	Industry risk	2
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Demand slowdown in the downstream industries could impact the profitability of the Division

Mitigation

India's per capita packaging product consumption is very low compared to the global average, allowing for huge growth opportunity. We manufacture glass bottles, plastic bottles, caps, closures - catering to the soft drink, alcoholic beverage, food processing, chemical and pharmaceutical sectors.

2	Operations risk	3
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Inability to achieve higher cost efficiencies may affect profitability

Mitigation

We adopted best practices and standards across our manufacturing facilities and increased operating efficiencies through product planning, increasing utilisation rates and reducing the cost of production of each unit. We employ cost-effective manufacturing strategies of using alternative fuels for our container glass manufacturing. Besides, our process modernisation initiative also helped improve input/output. We also improved operational efficiency on account of enhanced focus on maintenance and improvement in job change practices.

3	Quality risk	3
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Inconsistent product quality may drive client attrition, hindering business growth.

Mitigation

We believe that our stringent manufacturing standards and quality products also enable us to develop strong

relationships with our customers. We have a technical support agreement with NeueGlaswerkeGroBreitenbach GmbH & Co. KG, Germany (WeigandGlas) in relation to certain products. The agreement provides access to AGI Glaspac to the technical know-how of WeigandGlas in relation to issues relating to batch house, furnaces, production processes, cold-end inspection and packaging.

4	Client attrition risk	3
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An over-dependence on a few clients can hamper growth in case of attrition

Mitigation

We have the widest and the most eminent portfolio of brand enhancing customers across multiple sectors. Moreover, no single client accounted for more than 21% of the division's total sales. We have added more than 100 clients in 2014-15.

HUMAN CAPITAL

Our people are critical to the success of our strategic objectives — their energy, vision, commitment and intellectual capital drive growth, innovation and profitability. We identify the importance of attracting, developing, rewarding and retaining the best people to deliver business goals. We continue to invest in developing a variety of initiatives that cultivate open, transparent and two-way dialogue. A culture of entrepreneurial energy, coupled with professional persistence is encouraged among all employees. The Company's total employee strength stood at over 3,400 as at 31 March 2015.

As a part of our on-going efforts in retaining and nurturing people, we frequently revisit our HR practices to comply with the best industry standards. These practices recognise, reward and continuously prepare our team to compete with the best in the world. We have survived market transformations, competition and remained a vibrant company on the basis of our people and we believe the same will be true for the future.

We have the best talent on board, because we have maintained a tradition of going to campuses and recruiting from various institutions. Also, students are selected from Tier II management institutes and are given 60 days of extensive training. Thereafter, they are sent to the market as our frontline sales force. This programme is called SAKSHAM. Under SAKSHAM, we recruit 50-60 resources every year.

Training is one of the key functions of HR. A training calendar is prepared at the beginning of each year, with inputs from employees and their reporting managers to understand and prepare modules where further developments are required. These can vary from basic organisational culture needs to behavioural requirements, to technical problems that need intervention. Retention of talent is critical to us, thus we have created a 'MUST RETAIN' list and have ensured we follow norms that help mentor these resources.

On a yearly basis, TOWN HALL meets are also organised wherein the employees get a chance to interact with the senior

management. Our JMD shares his vision for the organisation, which enhances transparency and helps build trust. The employees also get to see the bigger picture and the role they play in it.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has adequate systems of internal control and procedures, covering all financial and operating functions commensurate with the size and nature of operations. The Company believes that a strong internal control framework is one of the most important pillars of Corporate Governance. Continuous efforts are being made to see that the controls are designed to provide a reasonable assurance with regard to maintaining of accounting controls and assets from unauthorised use or losses. The audit committee looks into all aspects of internal control and advises corrective action as and when required.

CAUTIONARY STATEMENTS

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward looking statements contained in this document, due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement strategies it devises for the future. The Company does not undertake to update these statements.

300

People added in the Building Products Division

200

People added in the Container Glass Division

DIRECTORS' REPORT

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Annual Report 2014-15



Dear Members,

Your Directors are pleased to present the Fifty Fifth Annual Report and the Company's audited financial statement for the financial year ended 31 March 2015.

FINANCIAL RESULTS

The Company's financial performance, for the year ended 31 March 2015 is summarized below:

Parameters	(₹ in lacs)	
	2014-15	2013-14
Gross Revenue	2,00,477.12	1,88,909.28
Less: Excise duty	14,413.80	13,887.77
Net Revenue	1,86,063.32	1,75,021.51
EBIDTA	34,504.90	27,111.72
Profit before taxation and extraordinary items	15,224.64	9,751.81
Add: Exceptional item	-	-
Profit before taxation	15,224.64	9,751.81
Less: Provision for taxation	4,809.67	4,131.84
Profit after taxation	10,414.97	5,619.97
Add: Balance brought forward	34,350.06	33,120.07
Amount available for appropriation	44,765.03	38,740.04
APPROPRIATIONS:		
Operating loss due to merger of GPPL	-	71.85
Carrying value of assets which has completed its depreciation period charged to opening balance of retained earning as per note 7(b) of Schedule II of Companies Act, 2013 (net of deferred tax)	435.14	-
Transferred to General Reserve	2,000.00	2,000.00
Proposed Dividend on equity shares	2,532.37	1,981.39
Tax on Proposed Dividend	503.93	336.74
Balance carried forward	39,293.59	34,350.06

85.32%

Growth in Profit after tax

Your Company performed satisfactorily, reinforcing its market position across business segments. Your Company's net sales grew by 6.06% to reach ₹ 1,82,088.96 lacs in 2014-15.

OPERATIONAL REVIEW

Your Company performed satisfactorily, reinforcing its market position across business segments. Your Company's net sales grew by 6.06% to reach ₹ 1,82,088.96 lacs in 2014-15, compared to ₹ 1,71,683.29 lacs in 2013-14. The EBITDA went up by 27.27% to ₹ 34,504.90 lacs in 2014-15 from ₹ 27,111.72 lacs in 2013-14. Cash profit stood at ₹ 21,473.60 lacs in 2014-15, compared to ₹ 16,072.48 lacs in 2013-14. Your Company's PAT accelerated by 85.32% to ₹ 10,414.97 lacs, compared to ₹ 5,619.97 lacs in 2013-14. Your Company's EPS grew to ₹ 15.70 in 2014-15, compared to ₹ 8.51 in 2013-14, registering a 84.49% increase.

Building Products Division

The gross revenue of the division grew by 6.21% to reach to ₹ 98,698.90 lacs during 2014-15 from ₹ 92,927.65 lacs in 2013-14. The operating profit grew to ₹ 19,903.58 lacs in 2014-15 from ₹ 19,701.75 lacs in 2013-14, registering a 1.02% increase. Capital employed grew by 8.34% to ₹ 94,991.35 lacs in 2014-15 as against ₹ 87,676.06 lacs in 2013-14.

The division undertook multiple initiatives to stay ahead of the curve.

- Commenced commercial production at the Greenfield state-of-the-art highly automated 'faucet' plant at Kaharani, Rajasthan, with an annual capacity of 2.5 million pieces
- Inducted Shah Rukh Khan (SRK) as the brand ambassador for hindware brand. He will feature in hindware's new 360-degree integrated campaigns across all media channels
- The division's luxury brand Queo, inducted Jacqueline Fernandez as brand ambassador. Her association will boost visibility and awareness of Queo as the bathroom space gradually shifts towards luxury
- Entered into an exclusive distribution agreement with Groupe Atlantic of France. The alliance will augment the import of water

heaters for the Indian market, co-branded as 'hindware – atlantic'

Packaging Products Division

The gross revenue for the division increased by 6.04%, and was marked at ₹ 1,01,571.91 lacs in 2014-15, compared to ₹ 95,788.32 lacs in 2013-14. The year under review also registered excellent operational profit at a staggering growth rate of 80.98%, surging the figures from ₹ 9,784.78 lacs in 2013-14 to ₹ 17,708.80 lacs in 2014-15. The capital employed in this division decreased from ₹ 1,32,058.28 lacs in 2013-14 to ₹ 1,23,119.18 lacs in 2014-15.

The division witnessed an operational turnaround and put in place a robust operational architecture.

- The division registered a produce of 1,660 million units of glass containers in 2014-15
- Changed over to alternate fuel in container glass production to reduce operational costs
- Invested in modern technology and equipment to upgrade the quality and functionality of products to address changing industry trends and consumer requirements
- Focused on debottlenecking of existing facilities to improve operating efficiencies
- Increased the average container glass capacity utilisation to 68.8% in 2014-15, through process upgradation and higher demand. Fifty new glass bottles were introduced, including 21 light-weight bottle varieties and 20 new PET bottles
- Reduced the manufacturing cost to improve the profit margin.
- Added 102 new clients to the existing customer base
- PET production grew from 6,177 Mts in 2013-14 to 6,438 Mts in 2014-15, while average PET capacity utilisation grew to 65.9% in 2014-15

There is no change in the nature of the business(es) during the year.

No material changes and commitments affecting the financial position of the Company occurred between the end of financial year of the Company to which the financial statements relates and the date of this Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company has no material subsidiary in accordance with the provisions of clause 49 of the Listing Agreement. No company ceased or became the subsidiary/ joint venture/associate company of the Company during the Financial Year 2014-15.

During the year the Board of Directors reviewed the affairs of the subsidiaries. In accordance with section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report.

Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-I forms part of the consolidated financial statement and hence not repeated here for the sake of brevity.

The statement provides the details of performance, financial positions of each of the subsidiary.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statement, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on Company's website <http://www.hindwarehomes.com>. These documents will also be available for inspection during business hours at our registered office in Kolkata, India, between 12-00 Noon to 2-00 P.M. till the date of AGM.



The Policy for determining material subsidiaries as approved may be accessed on the Company's website at the link: <http://www.hindwarehomes.com/pdf/Policy-on-Material-Subsidiaries.pdf>

DIVIDEND

Your Directors have recommended a dividend of ₹ 3.50 (i.e. 175%) per equity share (last year ₹ 3.00 (i.e. 150%) per equity share) on equity shares of ₹ 2/- each for the financial year ended 31 March 2015, amounting to ₹ 3036.30 lacs (inclusive of Dividend Distribution Tax ₹ 503.93 lacs). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on 16 September 2015 and in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on 15 September 2015.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 2,000 lacs to the general reserves.

DEPOSITS

We have not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such no amount of principal or interest was outstanding as on the Balance Sheet date.

AUDITORS AND AUDITORS' REPORTS

Statutory Auditors

M/s Walker Chandiook & Co LLP, Chartered Accountants, Statutory Auditors of the Company, having Firm's Registration No. 001076N/N500013 hold office till the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has obtained written confirmation from the Statutory Auditors, confirming that they are eligible for appointment as Auditors of the Company under Section 139 of the Companies Act, 2013 and meet the criteria for appointment specified under Section 141 of the Companies Act, 2013.

The Audit Committee and the Board of Directors recommend re-appointment of M/s Walker Chandiook & Co LLP, Chartered Accountants, having firm Registration No. 001076N/N500013 as the Company's Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company.

The Notes on Financial Statement referred to in the Auditors' report are self-explanatory and therefore do not require any further comments.

Secretarial Auditor

The Board had appointed M/s Drolia & Company, Practising Company Secretaries, Kolkata, having CP No. 1362 to conduct Secretarial Audit for the financial year 2014-15, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR – 3 for the financial year 2014-15 is enclosed herewith as Annexure A to

During the year under review, the Company has issued 6,250,000 equity shares of ₹ 2/- each at a premium of ₹ 398/- to Qualified Institutions Buyers under Qualified Institutional Placement.

this Report. The Secretarial Audit Report does not contain any observation or adverse remark.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed in sub-section (3)(m) of section 134 of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 are enclosed as Annexure B to this Report.

SHARE CAPITAL

During the year under review, the Company has issued 6,250,000 equity shares of ₹ 2/- each at a premium of ₹ 398/- to Qualified Institutions Buyers under Qualified Institutional Placement. The paid-up Equity Share Capital as on 31 March 2015 was ₹ 1,445.97 lacs.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in Form No. MGT – 9 is enclosed as Annexure C to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors in terms of Section 134(3) (c) of the Companies Act, 2013 state that:

- in the preparation of the annual accounts for the year ended 31 March 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, had been followed and there are no material departures from the same;
- the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the profit of the Company for the year ended on that date;

- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a 'going concern' basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and therefore provisions of section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in Form AOC-2 is not required. During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the Policy of the Company on materiality of related party transactions.





The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.hindwarehomes.com/pdf/Related-Party-Transaction-Policy.pdf>

Your Directors draw attention of the members to Note 39 to the financial statement which sets out related party disclosures.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per provisions under Section 135 of the Companies Act, 2013, all companies having net worth of ₹ 500 crores or more, or turnover of ₹1,000 crores or more or a net profit of ₹ 5 crores or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) Committee of Board of Directors comprising three or more directors, at least one of whom should be an Independent Director and such Company shall spend 2% of the average net profits of the Company made during the three immediately preceding financial years.

Accordingly CSR Committee has been constituted by the Company comprising Mr. Salil Bhandari (Chairman), Mr. Rajendra

Kumar Somany and Mr. Sandip Somany as other members of the Committee.

The CSR Committee has also framed a Corporate Social Responsibility Policy (CSR Policy) duly approved by the Board, indicating the activities to be undertaken by the Company to fulfil the expectation of our Stakeholders and to continuously improve our social, environmental and economical performance while ensuring sustainability and operational success of our Company. The Company would also undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013

The guiding principles for all CSR initiatives of the Company are as follows:

- ❖ Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- ❖ Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- ❖ Creating opportunities for employees to participate in socially responsible initiatives.

The CSR Policy may be accessed on the Company's website at the link: http://www.hindwarehomes.com/pdf/CSR_Policy_HSIL.pdf

The Annual Report on CSR Activities is enclosed as Annexure D.

NUMBER OF BOARD MEETINGS

During the year under review, four Board Meetings were convened and held. For further details, please refer Report on Corporate Governance which is forming part of this Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises Independent Directors namely Mr. V.K. Bhandari (Chairman), Mr. Salil Bhandari, Mr. N.G. Khaitan and Mr. Ashok Jaipuria. For further details, please refer Report on Corporate Governance which is forming part of this Annual Report.

All the recommendations made by the Audit Committee were accepted by the Board.

VIGIL MECHANISM (WHISTLE BLOWER)

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors/Employees and

other stakeholders of the Company to report concerns affecting the smooth and efficient running of operations of the Company. This Policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual, suspected fraud or violation of the Company's Code of Conduct.

The Vigil Mechanism (Whistle Blower) Policy is available on Company's website at the link: <http://www.hindwarehomes.com/vigil-mechanism.aspx>

REMUNERATION POLICY

On the recommendation of the Nomination and Remuneration Committee, the Board has formulated Remuneration Policy for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Remuneration Policy of the Company is enclosed as Annexure E to this Report.

PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments covered under section 186 of the Companies Act, 2013 forms part of the notes to the Financial Statements (Please refer Note Nos. 15, 16, 21 and 39).

PARTICULARS OF EMPLOYEES

Information required as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure F forming part of this Report.

INTERNAL CONTROLS

The Company has in place adequate internal control systems, which commensurate with its size, nature of business and complexity of its operations and are designed to provide a reasonable degree of assurance regarding the effectiveness and

efficiency of operations, the adequacy of safeguard for assets, internal control over financial reporting, and compliance with applicable laws and regulations.

Internal audit function evaluates the adequacy of and compliance with policies, plans, regulatory and statutory requirements. The Internal Auditors directly report to the Board's Audit Committee, thus ensuring the independence of the process. It also evaluates and suggests improvement in effectiveness of risk management, controls and governance process. The Audit committee and Board provides necessary oversight and directions to the Internal audit function and periodically reviews the findings and ensures corrective measures are taken.

RISK MANAGEMENT

The Company has adopted several strategies for Risk Management to mitigate risks and uncertainties. Controls have been put in place to quickly and systematically identify, prioritise, monitor and mitigate such risks on a constant basis. This is a real-time and ever-evolving area, given the dynamic nature of the environment.

The Company has devised its Risk Management Policy and also constituted a Risk Management Committee which ensures that the Company has an appropriate and effective Risk Management System with appropriate Policies and Process which carries out risk assessment and ensures that risk mitigation plans are in place. In addition, all the key risks get continuously deliberated and discussed at the Group Executive Committee level as well as the Business Unit level.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Sexual Harassment Policy in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The

Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment, if any.

The Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the members approved the appointment of Ms. Sumita Somany as a Non-executive Non-Independent Director who is liable to retire by rotation and Mr. N.G. Khaitan, Mr. Salil Bhandari, Mr. V.K. Bhandari, Mr. Ashok Jaipuria and Dr. Rainer Siegfried Simon as Independent Directors who are not liable to retire by rotation. The members have also re-appointed Mr. Rajendra Kumar Somany as Chairman and Managing Director of the Company.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Sumita Somany, Non executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible have offered herself for re-appointment.

During the year, Mr. Rajendra Kumar Somany, Chairman and Managing Director, Mr. V.K. Ajmera, Chief Financial Officer and Ms. Payal M Puri, Company Secretary, were designated as Key Managerial Personnel of Company. However, due to the enhanced roles and responsibilities of Hindware Home Retail Private Limited (wholly owned subsidiary of the Company), Mr. V. K. Ajmera assumed the complete responsibility of Hindware Home Retail Private Limited and resigned as Chief Financial Officer of the Company with effect from 6 April 2015. Mr. Sandeep Sikka was appointed as Chief Financial

Officer of the Company and Key Managerial Personnel with effect from 6 April 2015.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

BOARD EVALUATION

In accordance with Clause 49 of the Listing Agreement, it is mandatory that the Board shall monitor and review the Board Evaluation Framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria and framework adopted by the Board. In addition, the performance of Board as a whole and committees were evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria.

In a separate meeting of Independent Directors, performance of Non Independent Directors, performance of Board as a whole and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors.

The evaluation process has been explained in the Corporate Governance Report section of the Annual Report.

None of the Independent Directors are due for re-appointment.

TRAINING OF INDEPENDENT DIRECTORS

The details of programmes conducted for familiarization of Independent Directors with the Company, nature of the industry in which the Company operates, business model of the Company has been uploaded on the Company's website at the web link http://www.hindwarehomes.com/training_of_directors.aspx. For further details, please refer Report on Corporate Governance which is forming part of this Annual Report.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employee of the Company under any scheme.

4. Issue of Employees Stock Option to employee of the company under any scheme.
5. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
6. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
7. Business Responsibility Report as per Clause 55 of the Listing Agreement with the Stock Exchange, describing the initiatives taken by Company from an environmental, social and governance perspective is not applicable to the Company, as per SEBI Circular CIR/CFD/DIL/8/2012, dated 13 August 2012.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives and staff of the Company.

For and on behalf of the Board of Directors

Place: Gurgaon
Date: 18 May 2015

Rajendra Kumar Somany
Chairman and Managing Director

ANNEXURE A

FORM NO. MR-3 Secretarial Audit Report For the Financial year ended 31 March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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Forward with foresight

To,
The Members,
HSIL Limited,
2, Red Cross Place,
Kolkata -700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S HSIL LIMITED, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the HSIL LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and return filed and other records maintained by HSIL LIMITED ("the Company") for the financial year ended on 31 March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

[The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company for the financial year ended 31-03-2015:-

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;]

- (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952
- (vii) Employees State Insurance Act, 1948
- (viii) Employers Liability Act, 1938

- (ix) Environment Protection Act, 1986 and other Environmental Laws
- (x) Equal Remuneration Act, 1976
- (xi) Factories Act, 1948
- (xii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
- (xiii) Indian Contract Act, 1872
- (xiv) Income Tax Act, 1961 and Indirect Tax Laws
- (xv) Indian Stamp Act, 1999
- (xvi) Industrial Dispute Act, 1947
- (xvii) Maternity Benefits Act, 1961
- (xviii) Minimum Wages Act, 1948
- (xix) Negotiable Instruments Act, 1881
- (xx) Payment of Bonus Act, 1965
- (xxi) Payment of Gratuity Act, 1972
- (xxii) Payment of Wages Act, 1936 and other applicable Labour Laws

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with NSE and BSE;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not made Public/Right/ Preferential issue of Shares/Debentures/ Sweat Equity or any other Security. However, the Company has issued and allotted 62,50,000 Equity shares of ₹ 2/- each at a premium of ₹ 398/- per share under Qualified Institutions Placement on 16.03.2015.

We further report that during the audit period, the Company has got the Members' approval through requisite majority as per Special Resolutions passed through Postal Ballot u/s 180 of the Companies Act, 2013 as per Scrutinizer's Report dated 22 September 2014 and other relevant documents for following matters :

- a) Increase in the Borrowing Powers of Board of Directors
- b) Creation of charge on movable and immovable properties of the Company both present and future

We further report that during the audit period, the Company has not made any :

- (i) Redemption / buy-back of securities.
- (ii) Merger/Amalgamation/Reconstruction etc
- (iii) Foreign technical collaborations.

FOR DROLIA & COMPANY
(Company Secretaries)

Pravin Kumar Drolia
(Proprietor)

Place: 9, Crooked Lane, Kolkata-69
Date: 16 May 2015

FCS: 2366
C P No.: 1362

ANNEXURE B

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy

(i) The steps taken or impact on conservation of energy

The Company has been continuously making efforts to optimise energy consumption. Towards this, the energy consumption is closely monitored and controlled. The Company has been choosing the most energy efficient equipments for its requirements including VFDs, fuel efficient burners, energy efficient motors, LED lights etc. The Company is continuously making efforts to reduce waste in all its operations.

a) Building Products Division (Sanitaryware and Faucets)

The energy consumption is closely monitored by the energy cell formed for the purpose at both the sanitaryware plants.

From time to time as per technological up-gradation in ceramic manufacturing, we choose and install the most energy efficient equipment in our plants to save energy.

Company's faucet plant commenced operations during the Financial Year 2014-15 and since inception, the Company has chosen technology which is energy efficient.

Continuous efforts are being made:

- to optimize energy consumption;
- to monitor energy used in each process through energy meters;
- to control and reduce energy consumption on regular basis.

b) Packaging Products Division (Glass and Plastic Products)

This division also ensures energy conservation primarily through use of energy efficient equipments and processes that enable lower energy consumption and efficiency.

(ii) The steps taken by the Company for utilising alternate sources of energy

a) Building Products Division

100 KW solar power plant commissioned at Bahadurgarh Plant.

b) Packaging Products Division

NIL

(iii) The capital investment on energy conservation equipment

Sr. No.	Capital Equipment	Capital investments on energy conservation equipment (₹ in lacs)	Energy saving / annum (units in KWH)	Financial saving (₹ in lacs)
(I)	Building Products Division			
1	Sanitaryware: Bahadurgarh Plant	96.27	379000	33.45
2	Sanitaryware: Bibinagar Plant*	21.50	180135	57.57
3	Faucets: Kaharani Plant	70.57	185101	12.90
(II)	Packaging Products Division#	184.00	3242985	259.10

*Reduction in LPG Consumption by process change/optimum utilisation of resources - 80MT

#Energy saved by replacement of existing burners with energy efficient burners for Lehrs in Glass plant is - LPG - 131400 KG/annum

(B) Technology Absorption

(i) The efforts made towards technological absorption

The company has been making efforts to absorb the latest technological developments and has taken following steps:

a) Building Products Division

- Deputing concerned personnel to relevant seminars, symposiums and workshops for upgrading skills and knowledge of team members

- Arranging visits of the concerned personnel to the foreign plants having advanced systems, equipment and skills to import the relevant technology and look into the possibilities of employing the same in our plants for process improvement, wastage reduction & cost controls by benchmarking against international parameters.
- The Company has understanding with major process equipment suppliers to provide upgrades whenever it takes place.

b) Packaging Products Division

- Continuous in house technical training
- Deputing concerned personnel to relevant seminars, symposiums and workshops to upgrade skill and knowledge
- The Company has entered into an agreement with a technological partner. This enables the company continuous access to the state of the art technology besides getting its personnel trained in the latest technology on glass manufacture and the equipments.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

The steps taken by company have helped in:

Building Products Division and Packaging Products Division

- Achieving better productivity and improvement in quality
- Saving in energy consumption
- Increased automation of processes.

(iii) In case of imported technology (imported during last three years reckoned from the beginning of the financial year)

Details of Technology Imported	Technology Import from	Year of Import	Status of implementation/absorption in case fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
A. Building Products Division (Faucets)				
Installation and commissioning of foundry equipment for better casting and less rejections.	Italy	2013	Fully Absorbed	-
Installation and commissioning of Vertical Milling Centers from USA. This is to make highly accurate machined components	USA	2014	Fully Absorbed	-
Development of plastic prototype machines to be able to show design for final approval before actual investment in tooling.	Israel	2014	Fully Absorbed	-
B. Packaging Products Division				
Narrow Neck Press and Blow (NNPB) Technology	Germany	2012	Fully absorbed.	-
Gob Image Analyser (GIA)	France	2012	Fully absorbed.	-
Semi Automatic Palletizer	Italy	2012	Fully absorbed.	-
Colour fore hearth technology	Germany	2013	Fully absorbed.	-
MRS 900 stackers and triflex and Ware transfer wheels for improvement in ware handling at hot end	U.K.	2012	Fully absorbed.	-
Lehr for high efficient energy saving	Italy	2012	Fully absorbed.	-
Automatic Inspection Machine for bottle inspection	France	2012- 2013	Fully absorbed.	-
Automatic Inspection Machine for bottle inspection	Germany	2012-2013	Fully absorbed.	-
Automatic Bottle Packing to remove human interference in packing	Singapore	2012-2013 2014-2015	Fully absorbed.	-
Automatic Bottle Shrink Wrapping Machine to remove human interference in packing	USA	2012-2013	Fully absorbed.	-

(iv) Expenditure incurred on Research and Development

Particulars	(₹ in lacs)	
	2014-15	2013-14
Capital Expenditure	-	-
Recurring Expenditure	76.68	68.85
Total	76.68	68.85
Total R&D expenditure as a % of total building product revenue	0.08%	0.07%

(C) Foreign Exchange Earnings and Outgo

Particulars	(₹ in lacs)	
	2014-15	2013-14
Earning in foreign currency	5,476.19	2,638.82
Outgo of foreign currency	27,863.46	21,826.75
- Raw Material, spare part and others	26,868.38	20,732.67
- Capital Equipment	995.08	1,094.08

ANNEXURE C

FORM NO. MGT 9

Extract of Annual Return

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

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Forward with foresight

I REGISTRATION & OTHER DETAILS:

i	CIN	L51433WB1960PLC024539
ii	Registration Date	8 February 1960
iii	Name of the Company	HSIL Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & Contact details	2 Red Cross Place, Kolkata - 700001, West Bengal Phone +91-033-22487406/7 Fax +91-033-22487045
vi	Whether listed company	Yes
vii	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Private Limited 6, Mangoe Lane, Kolkata – 700 001 Phone +91-033- 2243 5809/5029 Fax +91-033- 2248 4787 Email: mdpldc@yahoo.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Sanitaryware	3232	36.02%
2	Faucets	3490	10.51%
3	Glass Bottles	3213	44.47%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Hindware Home Retail Private Limited 2 Red Cross Place, Kolkata - 700001, West Bengal	U51109WB2005PTC106307	Subsidiary	100	2(87)
2	HSIL Associates Limited 2 Red Cross Place, Kolkata - 700001, West Bengal	U27107WB2008PLC129064	Subsidiary	100	2(87)
3	Halis International Limited 4th floor, Hennessy Tower, Pope Hennessy Street, Port Louis, Mauritius	N.A	Subsidiary	100	2(87)
4	Alchemy International Cooperatief U.A (a Cooperative with exclusion of liability, incorporated and existing under the laws of Netherlands. The members of the Cooperative are: Halis International Limited with a membership right of 99.99% and HSIL Limited with a membership right of 0.01%) Kabelweg 37, 1014 BA Amsterdam, Netherland	N.A	Subsidiary of Halis International Limited	100	2(87)
5	Haas International B.V Kabelweg 37, 1014 DA Amsterdam, Netherland	N.A	Subsidiary of Alchemy International Cooperatief U.A	100	2(87)
6	Baarwood Products Limited Barwood House, Beta road, off Talke Road, New Castle Underlyme, Staffordshire, ST 57 UT, U.K.	N.A	Subsidiary of Haas International B.V.	100	2(87)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(A) Shareholding of Promoter and Promoter group										
(1) Indian										
(a) Individuals/Hindu Undivided Family	57,47,719	0	57,47,719	8.70	57,47,719	0.00	57,47,719	7.95	0.00	
(b) Central Government/State Government(s)	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	
(c) Bodies Corporate	2,83,14,530	0	2,83,14,530	42.87	2,83,14,530	0	2,83,14,530	39.16	0.00	
(d) Financial Institutions/Banks	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	
(e) Any Other (specify)	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	
Sub-Total(A)(1)	3,40,62,249	0	3,40,62,249	51.57	3,40,62,249	0	3,40,62,249	47.11	0.00	
(2) Foreign										
(a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(b) Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(c) Bank/FI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) Any Other(specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sub-Total(A)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)*	3,40,62,249	0.00	3,40,62,249	51.57	3,40,62,249	0.00	3,40,62,249	47.11	0.00	
(B) Public Shareholding										
(1) Institutions										
(a) Mutual Funds/UTI	93,31,442	0	93,31,442	14.13	1,76,73,627	0	1,76,73,627	24.45	89.40	
(b) Financial Institutions/Banks	20,928	15,844	36,772	0.06	1,67,078	15,844	1,82,922	0.25	397.45	
(c) Central Government/State Government(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(d) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(e) Insurance Companies	0.00	500	500	0.00	0.00	500	500	0.00	0.00	
(f) Foreign Institutional Investors	93,92,497	0	93,92,497	14.22	82,48,698	0.00	82,48,698	11.41	(12.18)	
(g) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(h) Any Other (specify)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sub-Total (B) (1)	1,87,44,867	16,344	1,87,61,211	28.41	2,60,89,403	16,344	2,61,05,747	36.11	39.15	
(2) Non-Institutions										
(a) Bodies Corporate	22,59,164	15,760	22,74,924	3.44	34,71,735	14,928	34,86,663	4.82	53.27	
(b) Individuals-										
i. Individual shareholders holding nominal share capital up to ₹ 1 lac	75,14,964	12,33,379	87,48,343	13.25	61,77,975	11,78,014	73,55,989	10.17	(15.92)	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac	14,91,257	0.00	14,91,257	2.26	8,26,073	0.00	8,26,073	1.14	(44.61)	
(c) Any Other (specify)										
(c-i) Non-Resident Individual	3,55,269	11,189	3,66,458	0.55	2,25,365	10,959	2,36,324	0.33	(35.51)	
(c-ii) Trusts	66,206	0.00	66,206	0.10	9,650	0.00	9,650	0.01	(85.42)	
(c-iii) Clearing Member	2,75,747	0.00	2,75,747	0.42	2,13,700	0.00	2,13,700	0.30	(22.50)	
Sub-Total (B) (2)	1,19,62,607	12,60,328	1,32,22,935	20.02	1,09,24,498	12,03,901	1,21,28,399	16.78	(8.28)	
Total Public Shareholding (B)=B(1)+(B)(2)	3,07,07,474	12,76,672	3,19,84,146	48.43	3,70,13,901	12,20,245	3,82,34,146	52.89	19.54	
(C) Shares held by Custodians and against which Depository Receipts have been issued										
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Grand Total (A)+(B)+(C)	6,47,69,723	12,76,672	6,60,46,395	100.00	7,10,76,150	12,20,245	7,22,96,395	100	9.46	

(*) Decrease in the percentage of Promoters Shareholding on 31 March 2015 was due to allotment of 62,50,000 Equity Shares of ₹2/- each on 16 March 2015 to QIB under QIP.

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2014)			Shareholding at the end of the year (As on 31.03.2015)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Rajendra Kumar Somany	26,20,114	3.96	0	26,20,114	3.62	0	0
2	Sandip Somany	19,90,908	3.01	0	19,90,908	2.75	0	0
3	Sandip Somany	9,13,120	1.38	0	9,13,120	1.26	0	0
4	Divya Somany	1,46,912	0.22	0	1,46,912	0.20	0	0
5	Sumita Somany	76,665	0.12	0	76,665	0.11	0	0
6	Paco Exports Ltd.	2,06,64,530	31.29	0	2,06,64,530	28.58	0	0
7	Soma Investments Ltd.	40,00,000	6.06	0	40,00,000	5.53	0	0
8	New Delhi Industrial Promoters and Investors Ltd.	36,50,000	5.53	0	36,50,000	5.05	0	0
Total		3,40,62,249	51.57		3,40,62,249	47.11		

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the Year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
	No. of Shares	% of total shares of the company *	No of shares	% of total shares of the company
At the beginning of the year	3,40,62,249	51.57	3,40,62,249	51.57
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year			3,40,62,249	47.11

Note:

There is no change in the shareholding of promoters between 01.04.2014 and 31.03.2015

The decrease in the percentage of Promoters Shareholding from 51.57 % to 47.11 % is due to allotment of equity shares on 16 March 2015 under Qualified Institutional Placement.

(iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
I	SUNDARAM MUTUAL FUND A/C SUNDARAM BALANCED FUND				
a)	At the beginning of the year	3714124	5.6235	3714124	5.6235
b)	Date wise increase/decrease Shareholding during the year				
	As on 04/04/2014 - 40000 Shares Transfer			3674124	5.5629
	As on 11/04/2014 - 21955 Shares Transfer			3652169	5.5297
	As on 18/04/2014 - 2169 Shares Transfer			3650000	5.5264
	As on 25/04/2014 - 10000 Shares Transfer			3640000	5.5113
	As on 02/05/2014 - 60000 Shares Transfer			3580000	5.4204
	As on 23/05/2014 - 95000 Shares Transfer			3485000	5.2766
	As on 30/05/2014 - 55000 Shares Transfer			3430000	5.1933
	As on 30/06/2014 - 10000 Shares Transfer			3420000	5.1782
	As on 22/08/2014 - 30693 Shares Transfer			3389307	5.1317
	As on 05/09/2014 - 14859 Shares Transfer			3374448	5.1092
	As on 12/09/2014 - 99754 Shares Transfer			3274694	4.9582
	As on 30/09/2014 - 100000 Shares Purchase			3374694	5.1096
	As on 07/11/2014 - 8000 Shares Purchase			3382694	5.1217
	As on 20/03/2015 - 500000 Shares Purchase			3882694	5.3705
c)	At the end of the year			3836494	5.3066

(iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters & Holders of GDRs & ADRs) (Contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
2	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE CAPITAL BUILDER FUND - SRA				
a)	At the beginning of the year	3656304	5.5360	3656304	5.5360
b)	Date wise increase/decrease Shareholding during the year				
	As on 04/04/2014 - 127600 Shares Purchase			3783904	5.7292
	As on 11/04/2014 - 131200 Shares Purchase			3915104	5.9278
	As on 18/04/2014 - 75000 Shares Purchase			3990104	6.0414
	As on 25/04/2014 - 100000 Shares Purchase			4090104	6.1928
	As on 02/05/2014 - 200000 Shares Purchase			4290104	6.4956
	As on 09/05/2014 - 50000 Shares Purchase			4340104	6.5713
	As on 23/05/2014 - 275000 Shares Purchase			4615104	6.9877
	As on 30/05/2014 - 100000 Shares Purchase			4715104	7.1391
	As on 06/06/2014 - 50000 Shares Purchase			4765104	7.2148
	As on 20/06/2014 - 25000 Shares Purchase			4790104	7.2526
	As on 30/06/2014 - 40000 Shares Purchase			4830104	7.3132
	As on 04/07/2014 - 11414 Shares Purchase			4841518	7.3305
	As on 11/07/2014 - 300000 Share Transfer			4541518	6.8763
	As on 18/07/2014 - 27600 Shares Purchase			4569118	6.9180
	As on 14/08/2014 - 25000 Shares Purchase			4594118	6.9559
	As on 22/08/2014 - 274000 Shares Purchase			4868118	7.3708
	As on 10/10/2014 - 300000 Shares Transfer			4568118	6.9165
	As on 28/11/2014 - 25000 Shares Purchase			4593118	6.9544
	As on 19/12/2014 - 10000 Shares Purchase			4603118	6.9695
	As on 23/01/2015 - 50000 Shares Transfer			4553118	6.8938
	As on 27/02/2015 - 18600 Shares Purchase			4571718	6.9220
	As on 20/03/2015 - 485000 Shares Purchase			5056718	6.9944
	As on 27/03/2015 - 12500 Shares Purchase			5069218	7.0117
c)	At the end of the year			5069218	7.0117
3	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND				
a)	At the beginning of the year	2858225	4.3276	2858225	4.3276
b)	Date wise increase/decrease Shareholding during the year				
	As on 30/06/2014 - 89642 Shares Transfer			2768583	4.1919
	As on 25/07/2014 - 418543 Shares Transfer			2350040	3.5582
	As on 14/08/2014 - 972270 Shares Transfer			1377770	2.0861
	As on 22/08/2014 - 409770 Shares Transfer			968000	1.4656
	As on 16/01/2015 - 11127 Shares Transfer			956873	1.4488
	As on 23/01/2015 - 180818 Shares Transfer			776055	1.1750
	As on 30/01/2015 - 30 Shares Transfer			776025	1.1750
	As on 06/02/2015 - 2258 Shares Transfer			773767	1.1716
	As on 20/02/2015 - 48966 Shares Transfer			724801	1.0974
	As on 27/02/2015 - 5348 Shares Transfer			719453	1.0893
	As on 06/03/2015 - 55971 Shares Transfer			663482	1.0046
	As on 20/03/2015 - 70117 Shares Transfer			593365	0.8207
c)	At the end of the year			578154	0.7997
4	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND,L.P.				
a)	At the beginning of the year	2374732	3.5956	2374732	3.5956
b)	Date wise increase/decrease Shareholding during the year				
	As on 12/09/2014 - 180441 Shares Transfer			2194291	3.3223
	As on 10/10/2014 - 435946 Shares Transfer			1758345	2.6623
	As on 07/11/2014 - 23500 Shares Purchase			1781845	2.6979
	As on 14/11/2014 - 13087 Shares Purchase			1794932	2.7177
c)	At the end of the year			1794932	2.4827

(iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters & Holders of GDRs & ADRs) (Contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
5	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				
a)	At the beginning of the year	1953508	2.9578	1953508	2.9578
b)	Date wise increase/decrease Shareholding during the year				
	As on 04/04/2014 - 269110 Shares Transfer			1684398	2.5503
	As on 11/04/2014 - 213210 Shares Transfer			1471188	2.2275
	As on 18/04/2014 - 122946 Shares Transfer			1348242	2.0414
	As on 25/04/2014 - 132157 Shares Transfer			1216085	1.8413
	As on 02/05/2014 - 68563 Shares Transfer			1147522	1.7374
	As on 09/05/2014 - 170964 Shares Transfer			976558	1.4786
	As on 23/05/2014 - 82852 Shares Purchase			1059410	1.6040
	As on 06/06/2014 - 69416 Shares Transfer			989994	1.4989
	As on 13/06/2014 - 76678 shares Transfer			913316	1.3828
	As on 20/06/2014 - 52899 Shares Transfer			860417	1.3027
	As on 30/06/2014 - 56209 Shares Transfer			804208	1.2176
	As on 04/07/2014 - 13121 Shares Transfer			791087	1.1978
	As on 11/07/2014 - 8235 Shares Transfer			782852	1.1853
	As on 25/07/2014 - 22778 Shares Transfer			760074	1.1508
	As on 01/08/2014 - 128461 Shares Transfer			631613	0.9563
	As on 08/08/2014 - 131613 Shares Transfer			500000	0.7570
	As on 31/10/2014 - 3110 Shares Transfer			496890	0.7523
	As on 09/01/2015 - 15138 Shares Transfer			481752	0.7294
	As on 16/01/2015 - 10383 Shares Transfer			471369	0.7137
c)	At the end of the year			471369	0.6520
6	JUPITER SOUTH ASIA INVESTMENT COMPANY LIMITED - SOUTH ASIA ACCESS FUND				
a)	At the beginning of the year	1328942	2.0121	1328942	2.0121
b)	Date wise increase/decrease Shareholding during the year				
	As on 30/06/2014 - 41664 Shares Transfer			1287278	1.9491
	As on 25/07/2014 - 179376 Shares Transfer			1107902	1.6775
	As on 14/08/2014 - 445655 Shares Transfer			662247	1.0027
	As on 22/08/2014 - 139247 Shares Transfer			523000	0.7919
	As on 16/01/2015 - 6013 Shares Transfer			516987	0.7828
	As on 23/01/2015 - 97693 Shares Transfer			419294	0.6348
	As on 30/01/2015 - 16 Shares Transfer			419278	0.6348
	As on 06/02/2015 - 1220 Shares Transfer			418058	0.6330
	As on 20/02/2015 - 26456 Shares Transfer			391602	0.5929
	As on 27/02/2015 - 2890 Shares Transfer			388712	0.5885
	As on 06/03/2015 - 30243 Shares Transfer			358469	0.5428
	As on 20/03/2015 - 37883 Shares Transfer			320586	0.4434
c)	At the end of the year			312367	0.4321
7	ONTARIO PENSION BOARD - MONDRIAN INVESTMENT PARTNERS LIMITED				
a)	At the beginning of the year	1069744	1.6197	1069744	1.6197
b)	Date wise increase/decrease Shareholding during the year				
	As on 30/05/2014 - 83952 Shares Transfer			985792	1.4926
	As on 06/06/2014 - 93540 Shares Transfer			892252	1.3509
	As on 14/08/2014 - 51725 Shares Purchase			943977	1.4293
c)	At the end of the year			943977	1.3057
8	OLD WESTBURY SMALL AND MID CAP FUND - DIMENSIONAL FUND ADVISORS				
a)	At the beginning of the year	722385	1.0938	722385	1.0938
b)	Date wise increase/decrease Shareholding during the year				
	As on 30/05/2014 - 56209 Shares Transfer			666176	1.0086
	As on 06/06/2014 - 77273 Shares Transfer			588903	0.8917
	As on 12/09/2014 - 49430 Shares Transfer			539473	0.8168
	As on 10/10/2014 - 103411 Shares Transfer			436062	0.6602
	As on 19/12/2014 - 2477 Shares Transfer			433585	0.6565

(iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters & Holders of GDRs & ADRs) (Contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	As on 09/01/2015 - 26982 Shares Transfer			406603	0.6156
	As on 16/01/2015 - 51289 Shares Transfer			355314	0.5380
	c) At the end of the year			355314	0.4915
9	INDIANIVESH SECURITIES PRIVATE LIMITED				
a)	At the beginning of the year	336652	0.5097	336652	0.5097
b)	Date wise increase/decrease Shareholding during the year				
	As on 04/04/2014 - 3595 Shares Transfer			333057	0.5043
	As on 11/04/2014 - 14400 Shares Transfer			318657	0.4825
	As on 18/04/2014 - 58950 Shares Transfer			259707	0.3932
	As on 25/04/2014 - 25340 Shares Transfer			234367	0.3549
	As on 02/05/2014 - 123845 Shares Transfer			110522	0.1673
	As on 09/05/2014 - 82215 Shares Transfer			28307	0.0429
	As on 23/05/2014 - 26875 Shares Transfer			1432	0.0022
	As on 30/05/2014 - 27686 Shares Purchase			29118	0.0441
	As on 06/06/2014 - 2032 Shares Purchase			31150	0.0472
	As on 13/06/2014 - 15315 Shares Purchase			46465	0.0704
	As on 20/06/2014 - 3569 Shares Purchase			50034	0.0758
	As on 30/06/2014 - 5746 Shares Transfer			44288	0.0671
	As on 04/07/2014 - 2215 Shares Purchase			46503	0.0704
	As on 11/07/2014 - 850 Shares Transfer			45653	0.0691
	As on 18/07/2014 - 26039 Shares Transfer			19614	0.0297
	As on 25/07/2014 - 1732 Shares Purchase			21346	0.0323
	As on 01/08/2014 - 7589 Shares Transfer			13757	0.0208
	As on 08/08/2014 - 750 Shares Purchase			14507	0.0220
	As on 14/08/2014 - 1861 Shares Transfer			12646	0.0191
	As on 22/08/2014 - 6056 Shares Transfer			6590	0.0100
	As on 29/08/2014 - 125 Shares Purchase			6715	0.0102
	As on 05/09/2014 - 575 Shares Transfer			6140	0.0093
	As on 12/09/2014 - 187 Shares Transfer			5953	0.0090
	As on 30/09/2014 - 4858 Shares Transfer			1095	0.0017
	As on 03/10/2014 - 723 Shares Transfer			372	0.0006
	As on 10/10/2014 - 175 Shares Transfer			197	0.0003
	As on 17/10/2014 - 185 Shares Transfer			12	0.0000
	As on 31/10/2014 - 23 Shares Purchase			35	0.0001
	As on 07/11/2014 - 1500 Shares Purchase			1535	0.0023
	As on 14/11/2014 - 600 Shares Transfer			935	0.0014
	As on 21/11/2014 - 385 Shares Transfer			550	0.0008
	As on 28/11/2014 - 350 Shares Purchase			900	0.0014
	As on 05/12/2014 - 750 Shares Transfer			150	0.0002
	As on 31/12/2014 - 50 Shares Transfer			100	0.0002
	As on 09/01/2015 - 6296 Shares Purchase			6396	0.0097
	As on 16/01/2015 - 705 Shares Purchase			7101	0.0108
	As on 23/01/2015 - 8245 Shares Purchase			15346	0.0232
	As on 30/01/2015 - 3428 Shares Transfer			11918	0.0180
	As on 06/02/2015 - 2165 Shares Transfer			9753	0.0148
	As on 13/02/2015 - 100 Shares Transfer			9653	0.0146
	As on 20/02/2015 - 20 Shares Transfer			9633	0.0146
	As on 27/02/2015 - 65 Shares Purchase			9698	0.0147
	As on 06/03/2015 - 222 Shares Transfer			9476	0.0143
	As on 20/03/2015 - 1003 Shares Transfer			8473	0.0117
	As on 27/03/2015 - 6690 Shares Transfer			1783	0.0025
	c) At the end of the year			1733	0.0024
10	MAVERICK SHARE BROKERS LIMITED				
a)	At the beginning of the year	282665	0.4280	282665	0.4280
b)	Date wise increase/decrease Shareholding during the year				
	As on 11/04/2014 - 118428 Shares Transfer			164237	0.2487

(iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters & Holders of GDRs & ADRs) (Contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	As on 18/04/2014 - 68 Shares Transfer			164169	0.2486
	As on 25/04/2014 - 5696 Shares Purchase			169865	0.2572
	As on 02/05/2014 - 2999 Shares Transfer			166866	0.2526
	As on 09/05/2014 - 102026 Shares Transfer			64840	0.0982
	As on 23/05/2014 - 1265 Shares Transfer			63575	0.0963
	As on 30/05/2014 - 110 Shares Transfer			63465	0.0961
	As on 06/06/2014 - 49880 Shares Transfer			13585	0.0206
	As on 13/06/2014 - 140 Shares Purchase			13725	0.0208
	As on 20/06/2014 - 310 Shares Transfer			13415	0.0203
	As on 30/06/2014 - 10530 Shares Transfer			2885	0.0044
	As on 04/07/2014 - 500 Shares Purchase			3385	0.0051
	As on 11/07/2014 - 3352 Shares Purchase			6737	0.0102
	As on 18/07/2014 - 10090 Shares Purchase			16827	0.0255
	As on 25/07/2014 - 14297 Shares Transfer			2530	0.0038
	As on 01/08/2014 - 270 Shares Transfer			2260	0.0034
	As on 14/08/2014 - 600 Shares Purchase			2860	0.0043
	As on 22/08/2014 - 450 Shares Purchase			3310	0.0050
	As on 05/09/2014 - 240 Shares Transfer			3070	0.0046
	As on 12/09/2014 - 900 Shares Purchase			3970	0.0060
	As on 30/09/2014 - 1150 Shares Transfer			2820	0.0043
	As on 10/10/2014 - 17975 Shares Purchase			20795	0.0315
	As on 17/10/2014 - 8900 Shares Purchase			29695	0.0450
	As on 24/10/2014 - 1575 Shares Transfer			28120	0.0426
	As on 31/10/2014 - 550 Shares Transfer			27570	0.0417
	As on 07/11/2014 - 2000 Shares Purchase			29570	0.0448
	As on 14/11/2014 - 150 Shares Purchase			29720	0.0450
	As on 21/11/2014 - 700 Shares Transfer			29020	0.0439
	As on 28/11/2014 - 27000 Shares Transfer			2020	0.0031
	As on 31/12/2014 - 50 Shares Transfer			1970	0.0030
	As on 09/01/2015 - 100 Shares Purchase			2070	0.0031
	As on 16/01/2015 - 2225 Shares Purchase			4295	0.0065
	As on 23/01/2015 - 2045 Shares Transfer			2250	0.0034
	As on 30/01/2015 - 750 Shares Purchase			3000	0.0045
	As on 06/02/2015 - 510 Shares Transfer			2490	0.0038
	As on 20/02/2015 - 100 Shares Transfer			2390	0.0036
	As on 27/02/2015 - 900 Shares Purchase			3290	0.0050
	As on 06/03/2015 - 1995 Shares Transfer			1295	0.0020
	As on 20/03/2015 - 446 Shares Purchase			1741	0.0024
	As on 27/03/2015 - 350 Shares Transfer			1391	0.0019
c)	At the end of the year			1391	0.0019
11	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE EMERGING LEADE				
a)	At the beginning of the year	0		0	
b)	Date wise increase/decrease Shareholding during the year				
	As on 25/07/2014 - 600000 Shares Purchase			600000	0.9085
	As on 22/08/2014 - 300000 Shares Purchase			900000	1.3627
	As on 20/03/2015 - 900000 Shares Purchase			1800000	2.4898
c)	At the end of the year			1800000	2.4898
12	CANARA ROBECO MUTUAL FUND A/C CANARA ROBECO BALANCE				
a)	At the beginning of the year	0		0	
b)	Date wise increase/decrease Shareholding during the year				
	As on 18/04/2014 - 25000 Shares Purchase			25000	0.0379
	As on 25/04/2014 - 60000 Shares Purchase			85000	0.1287
	As on 09/05/2014 - 150000 Shares Purchase			235000	0.3558
	As on 23/05/2014 - 271623 Shares Purchase			506623	0.7671
	As on 06/06/2014 - 3000 Shares Transfer			503623	0.7625
	As on 13/06/2014 - 7000 Shares Transfer			496623	0.7519

(iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters & Holders of GDRs & ADRs) (Contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	As on 20/06/2014 - 15576 Shares Purchase			512199	0.7755
	As on 11/07/2014 - 10000 Shares Transfer			502199	0.7604
	As on 18/07/2014 - 5000 Shares Purchase			507199	0.7679
	As on 29/08/2014 - 10000 Shares Purchase			517199	0.7831
	As on 05/09/2014 - 9418 Shares Purchase			526617	0.7973
	As on 12/09/2014 - 3600 Shares Purchase			530217	0.8028
	As on 30/09/2014 - 15300 Shares Purchase			545517	0.8260
	As on 03/10/2014 - 7500 Shares Purchase			553017	0.8373
	As on 10/10/2014 - 106651 Shares Purchase			659668	0.9988
	As on 17/10/2014 - 37452 Shares Purchase			697120	1.0555
	As on 24/10/2014 - 4214 Shares Purchase			701334	1.0619
	As on 31/10/2014 - 47068 Shares Transfer			654266	0.9906
	As on 28/11/2014 - 33000 Shares Purchase			687266	1.0406
	As on 12/12/2014 - 6800 Shares Purchase			694066	1.0509
	As on 19/12/2014 - 55713 Shares Purchase			749779	1.1352
	As on 31/12/2014 - 34233 Shares Purchase			784012	1.1871
	As on 16/01/2015 - 6500 Shares Purchase			790512	1.1969
	As on 27/02/2015 - 642 Shares Purchase			791154	1.1979
	As on 06/03/2015 - 10000 Shares Purchase			801154	1.2130
	As on 20/03/2015 - 27000 Shares Purchase			828154	1.1455
	c) At the end of the year			828154	1.1455
13	LANDT MID CAP FUND				
a)	At the beginning of the year	0		0	
b)	Date wise increase/decrease Shareholding during the year				
	As on 14/08/2014 - 12800 Shares Purchase			12800	0.0194
	As on 22/08/2014 - 112000 Shares Purchase			124800	0.1890
	As on 05/09/2014 - 56200 Shares Purchase			181000	0.2740
	As on 12/09/2014 - 148 Shares Purchase			181148	0.2743
	As on 30/09/2014 - 44542 Shares Purchase			225690	0.3417
	As on 10/10/2014 - 442952 Shares Purchase			668642	1.0124
	As on 17/10/2014 - 275000 Shares Purchase			943642	1.4288
	As on 24/10/2014 - 20000 Shares Purchase			963642	1.4590
	As on 31/10/2014 - 16265 Shares Purchase			979907	1.4837
	As on 07/11/2014 - 5000 Shares Purchase			984907	1.4912
	As on 14/11/2014 - 19335 Shares Purchase			1004242	1.5205
	As on 21/11/2014 - 1200 Shares Purchase			1005442	1.5223
	As on 28/11/2014 - 21930 Shares Purchase			1027372	1.5555
	As on 05/12/2014 - 16713 Shares Purchase			1044085	1.5808
	As on 12/12/2014 - 47318 Shares Purchase			1091403	1.6525
	As on 31/12/2014 - 12390 Shares Purchase			1103793	1.6712
	As on 09/01/2015 - 21375 Shares Purchase			1125168	1.7036
	As on 16/01/2015 - 17396 Shares Purchase			1142564	1.7299
	As on 20/03/2015 - 55304 Shares Purchase			1197868	1.6569
	c) At the end of the year			1203225	1.6643
14	HDFC SMALL & MIDCAP FUND				
a)	At the beginning of the year	0		0	
b)	Date wise increase/decrease Shareholding during the year				
	As on 04/04/2014 - 49950 Shares Purchase			49950	0.0756
	As on 11/04/2014 - 50 Shares Purchase			50000	0.0757
	As on 09/05/2014 - 263000 Shares Purchase			313000	0.4739
	As on 23/05/2014 - 48000 Shares Purchase			361000	0.5466
	As on 30/05/2014 - 391242 Shares Purchase			752242	1.1390
	As on 06/06/2014 - 251300 Shares Purchase			1003542	1.5195
	As on 13/06/2014 - 337000 Shares Purchase			1340542	2.0297
	As on 20/06/2014 - 15500 Shares Purchase			1356042	2.0532
	As on 17/10/2014 - 50000 Shares Transfer			1306042	1.9775

(iv) Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters & Holders of GDRs & ADRs) (Contd.)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2014)		Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	As on 19/12/2014 - 30000 Shares Transfer			1276042	1.9320
	As on 31/12/2014 - 200000 Shares Transfer			1076042	1.6292
	As on 20/03/2015 - 1632233 Shares Purchase			2708275	3.7461
	As on 27/03/2015 - 72000 Shares Transfer			2636275	3.6465
	c) At the end of the year			2561275	3.5427
15	PRINCE STREET (INDIA) FUND PTE LTD				
	a) At the beginning of the year	0		0	
	b) Date wise increase/decrease Shareholding during the year				
	As on 12/09/2014 - 11883 Shares Purchase			11883	0.0180
	As on 30/09/2014 - 5467 Shares Purchase			17350	0.0263
	As on 10/10/2014 - 2408 Shares Purchase			19758	0.0299
	As on 24/10/2014 - 2242 Shares Purchase			22000	0.0333
	As on 31/10/2014 - 40700 Shares Purchase			62700	0.0949
	As on 14/11/2014 - 18001 Shares Purchase			80701	0.1222
	As on 21/11/2014 - 50249 Shares Purchase			130950	0.1983
	As on 28/11/2014 - 80542 Shares Purchase			211492	0.3202
	As on 05/12/2014 - 37768 Shares Purchase			249260	0.3774
	As on 12/12/2014 - 39357 Shares Purchase			288617	0.4370
	As on 19/12/2014 - 51522 Shares Purchase			340139	0.5150
	As on 31/12/2014 - 12461 Shares Purchase			352600	0.5339
	As on 20/03/2015 - 550000 Shares Purchase			902600	1.2485
	c) At the end of the year			902600	1.2485
16	AMBIT CORPORATE FINANCE PRIVATE LIMITED				
	a) At the beginning of the year	0		0	
	b) Date wise increase/decrease Shareholding during the year				
	As on 02/01/2015 - 810900 Shares Purchase			810900	1.2278
	c) At the end of the year			810900	1.1216

(v) Shareholding of Directors & Key Managerial Personnel (KMP) :

Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year (As on 01.04.2014)		Cumulative Share holding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Mr. Rajendra Kumar Somany - Chairman and Managing Director				
	At the beginning of the year	26,20,114	3.97	26,20,114	3.97
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			26,20,114	3.62
2	Mr. Sandip Somany - Joint Managing Director				
	At the beginning of the year	29,04,028	4.40	29,04,028	4.40
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			29,04,028	4.02
3	Mrs. Sumita Somany - Director				
	At the beginning of the year	76,665	0.12	76,665	0.12
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			76,665	0.11
4	Mr. G.L.Sultania - Director				
	At the beginning of the year	6705	0.01	6705	0.01
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			6705	0.01

(v) Shareholding of Directors & Key Managerial Personnel (KMP) (Contd.):

Sr. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year (As on 01.04.2014)		Cumulative Share holding during the year (01.04.2014 to 31.03.2015)	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
5	Mr. Ashok Jaipuria - Director				
	At the beginning of the year	18000	0.03	18000	0.03
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Sale of Shares on 21.01.2015	-6000		12000	0.02
	At the end of the year			12000	0.02
6	Mr. Salil Bhandari - Director				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			0	0
7	Mr. V.K. Bhandari - Director				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			0	0
8	Mr. N.G. Khaitan - Director				
	At the beginning of the year	832	0.00	832	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			832	0.00
9	Dr. Rainer S. Simon - Director				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			0	0
10	Mr. V.K. Ajmera - Chief Financial Officer (KMP)				
	At the beginning of the year	2500	0	2500	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			2500	0
11	Ms. Payal M Puri - Company Secretary (KMP)				
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year			0	0

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	95,803.48	14,039.31	-	1,09,842.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	634.73	1.10	-	635.83
Total (i+ii+iii)	96,438.21	14,040.42	-	1,10,478.62
Change in Indebtedness during the financial year				
Additions	95,348.10	49,658.35	-	1,45,006.46
Reduction	1,27,480.68	52,226.48	-	1,79,707.15
Net Change	(32,132.57)	(2,568.13)	-	(34,700.70)
Indebtedness at the end of the financial year				
i) Principal Amount	56,062.57	19,079.53	-	75,142.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	435.08	5.67	-	440.75
Total (i+ii+iii)	56,497.65	19,085.20	-	75,582.85

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Name of the MD/WT/Manager		Total Amount
		Mr. Rajendra Kumar Somany	Mr. Sandip Somany	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	186.85	140.00	326.85
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	68.16	21.58	89.74
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	545.41	638.83	1,184.24
	- others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	800.42	800.41	1,600.83
	Ceiling as per the Act (@ 10% of net profits as per section 197 computed in the manner laid down in section 198 of the Companies Act, 2013)			1,600.83

B. Remuneration to other Directors:

(₹ In lacs)

Sr. No	Particulars of Remuneration	Name of the Directors					Total Amount
		Mr. Ashok Jaipuria	Mr. Salil K Bhandari	Mr. V.K. Bhandari	Mr. N.G. Khaitan	Dr. Rainer S. Simon	
1	Independent Directors						
	(a) Fee for attending board committee meetings	-	1.20	1.00	0.95	-	3.15
	(b) Commission	23.41	23.41	23.41	23.41	23.41	117.05
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	23.41	24.61	24.41	24.36	23.41	120.20
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings	0.35	0.60	-	-	-	0.95
	(b) Commission	19.62	23.41	-	-	-	43.03
	(c) Others, please specify	-	-	-	-	-	-
	Total (2)	19.97	24.01	-	-	-	43.98
	Total (B)=(1+2)	43.38	48.62	24.41	24.36	23.41	164.18
	Total Managerial Remuneration [A+B (excluding sitting fees)]						1,760.91
	Overall Ceiling as per the Act (@ 11% of net profits as per section 197 computed in the manner laid down in section 198 of the Companies Act, 2013)						1,760.91

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ In lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Payal M Puri (Company Secretary)	Mr.V.K.Ajmera (Chief Financial Officer)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	22.77	56.44	79.21
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.01	2.80	3.81
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	23.78	59.24	83.02

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty					
Punishment			NIL		
Compounding					
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			NIL		
Compounding					

There were no penalties/punishments/compounding of offences during the financial year ended 31st March, 2015.

ANNEXURE D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2014-15

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	Pl. refer Corporate Social Responsibility section in this report and also in Corporate Governance Report. Further, for detailed CSR Policy, please refer Company's website at the Link : http://www.hindwarehomes.com/pdf/CSR_Policy_HSIL.pdf
2.	The Composition of the CSR Committee.	Pl. refer Corporate Social Responsibility section in this report and also in Corporate Governance Report.
3.	Average net profit of the company for last three financial years	₹ 8,755 lacs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 175 lacs
5.	Details of CSR spent during the financial year.	
(a)	Total amount to be spent for the financial year;	₹ 175 lacs
(b)	Amount unspent, if any;	₹ 82.03 lacs

(c) Manner in which the amount spent during the financial year is detailed below

Sr. No.	CSR project or activity identified	Sector in which the projects is covered (clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ In lacs)	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ In lacs)	Cumulative expenditure upto to the reporting period (₹ In lacs)	Amount spent : Direct or through Implementing Agency
(i)	Project Samarth (Cutting & tailoring training to women)	Cl. (ii) Promoting education and employment enhancing vocation skills especially among children, women;	Bahadurgarh (Dist- Jhajjar, Haryana)	8.14	5.24	5.24	Prior to 01.08.2014 this project was run jointly by our Company alongwith PHD Rural Development Foundation (Implementing agency). Since 01.08.2014 onwards it is independently run by the Company.
(ii)	Kushal Vikas (Skill development) basic computer training class	Cl. (ii) Promoting education, including special education and enhancing vocation skills especially among children, women;	Bahadurgarh (Dist- Jhajjar, Haryana)	8.35	5.90	5.90	Direct
(iii)	Swastha Sampada (Health Care) OPD facility	Cl. (i) promoting health care including prevention health care;	Bahadurgarh (Dist- Jhajjar, Haryana)	28.55	22.04	22.04	Direct
(iv)	Orphanage House	Cl. (iii) Setting up homes and hostel for women and orphans;	Bahadurgarh (Dist- Jhajjar, Haryana)	42.00	43.40	43.40	Direct
(v)	Rain Water Harvesting - Bujawala Check Dam	Cl. (iv) ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water;	Loharawas (Dist-Sikar, Rajasthan)	2.00	2.00	2.00	Through Implementing agency (PHD Rural Development Foundation)

Sr. No.	CSR project or activity identified	Sector in which the projects is covered (clause no. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ In lacs)	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹ In lacs)	Cumulative expenditure upto to the reporting period (₹ In lacs)	Amount spent : Direct or through Implementing Agency
(vi)	Contribution toward Rain Water Harvesting - Pandawala Check Dam	Cl. (iv) ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaing quality of soil, air and water;	Khotidarifa Village (Dist- Alwar, Rajasthan)	6.79	2.04	2.04	Through Implementing agency (PHD Rural Development Foundation)
(vii)	Contribution toward Rain Water Harvesting - Nariyawal Check Dam	Cl. (iv) ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaing quality of soil, air and water;	Guwara Village (Dist- Alwar, Rajasthan)	7.88	2.36	2.36	Through Implementing agency (PHD Rural Development Foundation)
(viii)	HSIL Aap Ke Liye - Construction of Community Water Center	Cl. (i) preventing health care and sanitation and making available safe drinking water;	Sadodh Village, Bhiwadi (Dist- Alwar, Rajasthan)	11.67	5.84	5.84	Through Implementing agency (MA MY Anchor Foundation)
(ix)	HSIL Aap Ke Liye - Construction of Household Toilets	Cl. (i) preventing health care and sanitation and making available safe drinking water;	Sadodh Village, Bhiwadi (Dist- Alwar, Rajasthan)	13.86	4.15	4.15	Through Implementing agency (MA MY Anchor Foundation)
Total				129.24	92.97	92.97	

6. The company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof :-
- The projects at point no (vi to ix) commenced in the month of February and March, 2015 and they are still under process.
 - Since this is new provision of the Companies Act, 2013, the Company took time to identify suitable projects under CSR. Moving forward, the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.
7. We hereby affirm that the CSR Policy, as approved by Board of Directors, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with CSR objectives and Policy of the company.

Rajendra Kumar Somany
Chairman and Managing Director

Salil Bhandari
Chairman of CSR Committee

Place: Gurgaon
Date: 18 May 2015

ANNEXURE E

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- **Guiding Principles:** This Policy of the Company aims to attract, retain and motivate professionals; in order to enable the Company to achieve its strategic objectives and develop a strong performance based culture and a competitive environment. This Policy and the compensation structure has been devised after taking into account all relevant factors and giving due regard to the interests of shareholders and the financial and commercial health of the Company.
- **Board to determine the remuneration:** The Board while determining the remuneration package of the Directors, Key Managerial Personnel and Senior Management may take into account, all or any of the following:

 - (a) the requirement of the Company, specifically in terms of the skill sets required, the qualification of the persons being considered and the long term and short term goals of the Company;
 - (b) interests of the shareholders and the financial and commercial health of the Company;
 - (c) individual performance of the persons being considered;
 - (d) performance of the Company;
 - (e) remuneration packages offered by companies of comparable size in the same business as the Company;
 - (f) remuneration package offered at the same level by companies of comparable size in other businesses; and
 - (g) other relevant factors it deems necessary.
- **Maximum Threshold:** Except as otherwise provided under the Companies Act or with the prior approval of the Central Government, the total managerial remuneration payable by the Company, to its Directors (including managing director and whole-time director) and its manager in respect of a financial year shall not exceed 11% (eleven per cent) of the net profits of the Company in the relevant financial year, computed in the manner prescribed under the Companies Act. Further, except with the approval of the Company in general meeting:

 - (a) the remuneration payable to any one managing director; or whole-time director or manager shall not exceed 5% of the net profits of the company and if there is more than one such directors, remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together;
 - (b) the remuneration payable to Directors who are not managing directors nor whole-time directors shall not exceed 1% (one per cent) of the net profits of the Company.
- **Manner of payment:** Remuneration payable to Key Managerial Personnel and Senior Management may be mix of (i) fixed components such as salary, perquisites and allowances and (ii) variable components including commission, based on the individual performance and the performance of the Company, as determined by the Board, provided that the remuneration payable to the Directors shall be subject to the prior/post approval of the shareholders of the Company and/or the Central Government, as may be required under the applicable laws.
- **Perquisites/allowances:** The Company may offer perquisites and allowances such as house rent allowance, leave travel concession, medical reimbursement, club membership, personal accident insurance and such other benefits, facilities and allowances, to Directors, Key Managerial Personnel and Senior Management as determined by the Board from time to time.
- **Stock Options:** The Company may issue stock option to its Directors (other than Independent Directors), Key Managerial Personnel and Senior Management, as it may deem fit.
- **Sitting Fee:** Non-executive Directors of the Company may be entitled to a sitting fee, as determined by the Board or the Company in accordance with the provisions of the Companies Act. No executive Director shall be entitled to receive a sitting fee for attending Board meeting of the Company. Sitting fee will not be considered as a part of remuneration for determining the aggregate managerial remuneration being paid to Directors in accordance with this Policy.
- **Remuneration to non-executive Directors:** Non-executive Directors may receive remuneration by way of (i) Sitting fee, (ii) reimbursement of expenses for participation in the Board and other meetings; (iii) profit related commission as may be approved by the shareholders and (iv) in such other manner as may be permitted under applicable law. An independent director shall not be entitled to any stock option.
- **Fee for professional services:** It is clarified that, the fee payable to a Director for any professional services rendered by him to the Company shall not be considered as a part of the relevant Director's remuneration. Further, payment of such professional fee shall not require approval of the shareholders, if the Committee is satisfied that the

Director possesses the relevant qualifications for practicing the profession. Provided however that in case approval of the shareholders is required pursuant to the related party transactions policy of the Company or under the Companies Act (by virtue of such a transaction being considered as a contract or arrangement for availing any services and/or for appointment of a related party to any office or place of profit in the Company), such approval shall be obtained, in accordance with the provisions of the Companies Act or the Listing Agreement.

- Professional Indemnity: The Company may take such professional indemnity and liability insurance policy for its Directors, Key Managerial Persons and Senior Management, as the Board may deem fit and the premium paid on such insurance shall not to be treated as part of the remuneration payable to any such personnel, except as otherwise provided under the Companies Act.

- Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- Provisions for excess remuneration: If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it, unless permitted by the Central Government.

ANNEXURE F

DETAILS PERTAINING TO EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

A. The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- (i) The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year:

Name of the Directors	Ratio to median remuneration
Executive Directors	
Mr. Rajendra Kumar Somany	362.96
Mr. Sandip Somany	326.24
Non-Executive Directors	
Mr. G. L. Sultania	11.08
Mr. N. G. Khaitan	11.28
Mr. Salil Bhandari	11.42
Mr. V. K. Bhandari	11.31
Dr. Rainer S. Simon	10.75
Mr. Ashok Jaipuria	10.75
Mrs. Sumita Somany*	-

*She was appointed as Director w.e.f. May 2014 and therefore her remuneration is not comparable.

- (ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Director, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year**
Mr. Rajendra Kumar Somany	(4.54)
Mr. Sandip Somany	(13.90)
Mrs. Sumita Somany*	-
Mr. Girdhari Lal Sultania	11.61
Mr. Ashok Jaipuria	11.27
Mr. V. K. Bhandari	12.48
Mr. Nand Gopal Khaitan	12.20
Mr. Salil Bhandari	35.40
Dr. Rainer Siegfried Simon	11.27
Mr. V. K. Ajmera	14.86
Ms. Payal M Puri	24.36

*She was appointed as Director w.e.f. May 2014 and therefore information is not relevant.

**Remuneration is calculated on paid basis.

- (iii) The percentage increase in remuneration in the median remuneration of employee in the financial year : 14.81%
- (iv) The number of permanent employees on the rolls of the Company : 3431
- (v) The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an annual increase of 16.51%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

- (vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP) in FY15 (₹ in lacs)	728.79
Revenue (₹ in lacs)	2,00,477.12
Remuneration of KMPs (as % of revenue)	0.36 %
Profit before Tax (PBT) (₹ in lacs)	15,224.64
Remuneration of KMP (as % of PBT)	4.79 %

- (vii) Variations in the market capitalization of the Company, price earning ratio as the closing date of the current financial year and previous year and percentage increase or decrease in market quotation of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

	Closing Market Price per share (₹)		Percentage Increase	Price Earning Ratio		Market Capitalization (₹ in crores)	
	As at 31 March 2014	As at 31 March 2015		As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015
NSE	130.85	450.60	244.36 %	15.38	28.69	864.22	3257.68
BSE	131.45	447.50	240.43 %	15.45	28.50	868.18	3235.27

The percentage increase in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in the year 1993.

Particulars	31 March 2015 (₹)	September 1993* (₹)	%
NSE	450.60	155	190.71
BSE	447.50	155	188.71

*The Company came out with last public offer in the month of September 1993. The figure for BSE and NSE in September 1993 are not available so comparisons are being made with the available market price as per Prospectus available. Moreover, in 1993, the face value of equity shares was ₹ 10 each and on 31 March 2015, the face value of equity shares was ₹ 2 each.

- (viii) Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase already made in the salaries of the employees other than the managerial personnel in the last financial year: 16.51%

Percentage decrease in the managerial remuneration of Mr. Rajendra Kumar Somany, Chairman and Managing Director and Mr. Sandip Somany, Joint Managing Director was 4.54 % and 13.90 % respectively.

- (ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Mr. Rajendra Kumar Somany (Chairman and Managing Director)	Mr. Vijay Kumar Ajmera (Chief Financial Officer)	Ms. Payal M Puri (Company Secretary)
Remuneration in FY15 (₹ in lacs)	645.77	59.24	23.78
Revenue (₹ in lacs)	2,00,477.12	2,00,477.12	2,00,477.12
Remuneration as % of revenue	0.32	0.03	0.01
Profit before Tax (PBT) (₹ in lacs)	15,224.64	15,224.64	15,224.64
Remuneration (as % of PBT)	4.24	0.39	0.16

- (x) The Key parameters for any variables component of remuneration availed by the directors:

The members at the Annual General Meetings held on 27 September 2014 and 30 September 2013, approved the payment of commission of 4% of the net profits of the Company to Mr. Rajendra Kumar Somany (Chairman and Managing Director) and Mr. Sandip Somany (Joint Managing Director) respectively.

Further, the members have, at the Annual General Meeting of the Company on 30 September 2013 approved payment of commission to the non-executive directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act.

- (xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but received remuneration in excess of the highest paid Director during the year: None
- (xii) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that, the remuneration is as per the remuneration policy of the Company.

- B. The information required under Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:-

- (i) Employed throughout the year and in receipt of remuneration not less than ₹ 60,00,000 for the year.

Name of the Employees	Designation and nature of employment	Qualification	Experience (Years)	Date of Employment	Age (years)	Remuneration received	% of Equity shares held by them (not less than 2% of the equity shares of the Company)	Last Employment and Designation
Mr. Rajendra K Somany	Chairman and Managing Director (Contractual)	B.Com, FI(Ceramics)(U.K.) LFAIMA, FCI (U.K.) Member-IOM ³ (U.K.), Emeritus Member-American Ceramic Society	60	1.10.65	78	6,45,77,000	3.62	-
Mr. Sandip Somany	Joint Managing Director (Contractual)	B.Com., Diploma in Ceramics (USA)	30	1.10.85	52	5,80,43,000	4.01	-

Name of the Employees	Designation and nature of employment	Qualification	Experience (Years)	Date of Employment	Age (years)	Remuneration received	% of Equity shares held by them (not less than 2% of the equity shares of the Company)	Last Employment and Designation
Mr. Ram Babu Kabra	President – BPD	B.Com., FCA, ACS	34	7.9.81	57	1,71,37,584	-	Hyderabad Asbestos Limited – Chief Accountant
Mr. Arun Kumar D	President – Glass Division	B.E. (Mechanical)	43	2.12.96	68	1,71,71,782	-	Nagarjuna Aqua Ltd.-President
Mr. J.K. Somani	Head SCM & Commercial	B.Com., ACS	37	16.6.77	58	88,61,542	-	-
Mr. Anil Kumar Chandani	Sr. Vice President (Corporate Finance)	B.Com. (Hons), FCA, FCS, AICWA, DBF (ICFAl)	25	21.4.08	48	88,92,336	-	GHCL Limited – General Manager (Corporate Finance)
Mr. Sanjay Gaur	Chief Human Resources Officer	B.Com., MBA	24	4.12.06	49	79,12,579	-	Bharti Airtel Ltd. (General Manager-HR)
Mr. Ajay Seth	Chief Operating Officer	BE., PGDBM	25	10.9.07	48	69,42,461	-	Reliance Retail Ltd.- Head Operations
Mr. Ravi Gupta	CEO-AGI Closures	B.E. (Mechanical)	41	2.1.14	65	88,85,672	-	Gwala Closures India Pvt Ltd.- Managing Director
Mr. Ravendranath Saxena	CEO	BSc (Chemistry), MA (Economics), PGBBA, Diploma in Foreign Trade	28	16.1.12	53	61,57,938	-	Arcor Regid Plastics India, Unit Head

- (ii) Employed for the part of the year and in receipt of remuneration not less than ₹ 5,00,000 per month.

Name of the Employees	Designation and nature of employment	Qualification	Experience (Years)	Date of Employment	Age (years)	Remuneration received	% of Equity shares held by them (not less than 2% of the equity shares of the Company)	Last Employment and Designation
Mr. Rakesh Kaul	President-CPD	MFT, MBA, Bsc.	19	21.1.15	44	16,66,041	-	Karbons Mobiles – Executive Director
Mr. Rajesh Pajnoo	President-Pipes Division	B.E., DBM, PGDM&SM	22	16.3.15	48	2,96,638	-	Kisan Mouldings Limited – Chief Operating Officer
Mr. Sushil Luniya	President-BPD	B.Tech, MBA	28	3.03.14	53	90,13,935	-	Pidilite India Ltd., President Construction Chemicals Division

- (ii) Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager.

Name of the Employees	Designation and nature of employment	Qualification	Experience (Years)	Date of Employment	Age (years)	Remuneration received	% of Equity shares held by them (not less than 2% of the equity shares of the Company)	Last Employment and Designation
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NIL

Note:

Mr. Rajendra Kumar Somany, Chairman and Managing Director and Mr. Sandip Somany, Joint Managing Director are related to each other. None of the other employees are related to any of the Directors of the Company.

CORPORATE GOVERNANCE REPORT



COMPANY PHILOSOPHY

HSIL has always maintained an integrated way of thinking, which is reflected in the functioning of the Board and corporate governance framework. A company's relationship with its investors is an important component of corporate governance. The Board of Directors believes in upholding the highest standards of accountability and actively participates in overseeing risks and strategic management. The board fully supports and endorses corporate governance practices in accordance with the provisions of Clause 49 of the listing agreements. The primary objective of corporate governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, to develop capabilities and identify opportunities that best serve the goal of value creation. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company. Over the years, we have

strengthened governance practices. These practices define the way business is conducted and value is generated.

The Securities and Exchange Board of India (SEBI) amended the Listing Agreement effective 1 October 2014, to bring in additional corporate governance norms for listed entities. The norms provide for stricter disclosures and protection of investor rights, including equitable treatment for minority and foreign shareholders.

Our corporate governance framework has helped us to be aligned with the new guidelines of the Companies Act, 2013. We believe that an active, well informed and independent board is necessary to ensure the highest standards of corporate governance.

A. Board Of Directors

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive professional Directors. As on 31 March 2015, the

Board of Directors consisted of nine Directors, including Chairman and Managing Director, Joint Managing Director and others.

As on 31 March 2015, none of the Directors on the Company's Board was a Director in more than 20 Companies, neither a Chairman of more than five Committees nor a member of more than 10 Committees in accordance with Companies Act, 2013. Further, all the Directors have made necessary disclosures regarding their Directorship and Chairmanship/Committee Membership in other Companies as per the requirement of Companies Act, 2013.

No Director is related to any other Director on the Board, except Mr. Rajendra Kumar Somany, Mr. Sandip Somany (Son of Mr. Rajendra Kumar Somany) and Mrs. Sumita Somany (Wife of Mr. Sandip Somany).

The appointment of the Chairman and Managing Director and Joint Managing Director

including the tenure and terms of remuneration, are approved by the members at their general meetings.

Four Board meetings were held during 2014-15 and the gap between two meetings did not exceed 120 days. The dates, on which the Board meetings were held, are as follows:

29 May 2014, 11 August 2014, 29 October 2014 and 15 January 2015.

Dates for the Board meetings are decided well in advance and the Agenda, along with the supporting documents, explanatory notes and information, as enumerated under Clause 49 of the Listing Agreement, are made available to the Board along with the notice of respective meetings. The Board periodically reviews compliance reports of all laws applicable to the Company. The Company undertakes steps to rectify instances of non-compliance, if any.

The names and categories of the Directors on the Board, along with their attendance at the Board meetings held during the year ended 31 March 2015, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/Membership of Committees held by them, are given below:

Name of the Director	No. of Board meetings attended during tenure	Whether attended the last AGM	No. of other Directorships*	Committee position of other Companies**		No. of Equity Shares held
				Chairman	Member	
Executive						
Mr. Rajendra Kumar Somany (Chairman and Managing Director)	4	Yes	4	Nil	Nil	26,20,114
Mr. Sandip Somany (Joint Managing Director)	3	No	5	Nil	Nil	29,04,028
Non-executive and Non- Independent						
Mrs. Sumita Somany***	3	No	3	Nil	Nil	76,665
Mr. G. L. Sultania	4	Yes	7	Nil	2	6,705
Non-executive and Independent						
Mr. Ashok Jaipuria	2	No	2	Nil	1	12,000
Mr. N. G. Khaitan	4	No	6	1	5	832
Dr. Rainer Siegfried Simon	4	No	Nil	Nil	Nil	Nil
Mr. V. K. Bhandari	4	Yes	8	3	4	Nil
Mr. Salil Bhandari	4	Yes	2	Nil	2	Nil

* This includes Directorship in public limited companies (including subsidiaries of public limited companies) and excludes Directorship in associations, private, foreign and Section 8 companies

** Represents Chairmanship/Membership of Audit Committee and Stakeholder Relationship (Shareholders'/Investors' Grievance) Committee. This includes Chairmanship/Membership in public limited companies (including subsidiaries of public limited companies) and excludes Chairmanship/Membership in private, foreign and Section 8 companies

*** Mrs. Sumita Somany was appointed as an Additional Director on 29 May 2014 and regularised in the Annual General Meeting held on 27 September 2014.

B. Committees of the Board

The Board of Directors has constituted the following Committees of Directors with adequate delegation of powers to discharge the Company's requisite business:

- ▶ Audit Committee
- ▶ Corporate Affairs Committee
- ▶ Corporate Social Responsibility Committee
- ▶ Nomination and Remuneration Committee
- ▶ Stakeholder Relationship (Shareholders'/ Investors' Grievance) Committee
- ▶ Share Transfer Committee

The minutes of the meetings of all such committees are placed before the Board for discussion/noting.

Detail of the composition, number of meetings held during the year, attendance of members and scope of the committees are as below:

Audit Committee

Composition

The Committee comprises of four Non-executive Independent Directors. Mr. V. K. Bhandari, an ex-banker and financial expert, is the Chairman of the Committee. The quorum of the Committee is two members or one-third of the members, whichever is higher. The Chairman and Managing Director, Presidents of Divisions, Finance Head, Statutory Auditors and the Internal Auditors are invitees to the meetings of the Audit Committee. The business and operation heads are invited to the meetings, as and when required. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, four meetings of the Audit Committee were held on 29 May 2014, 11 August 2014, 29 October 2014 and 15 January 2015. The Chairman of the Audit Committee also attended the Company's last Annual General Meeting.

The following table summarises attendance of Audit Committee members during the year under review:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. V. K. Bhandari	Chairman	4	4
Mr. N. G. Khaitan	Member	4	4
Mr. Salil Bhandari	Member	4	4
Mr. Ashok Jaipuria	Member	4	1

The Committee's existing composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

Scope of the Audit Committee

The Audit Committee, inter alia, supports the Board to ensure an effective internal control environment. The Committee discharges such duties and functions with powers generally indicated in Clause 49 of the Listing Agreement with the Stock Exchanges.

With the applicability of Companies Act, 2013, scope of the Audit Committee has been widened as follows:

Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Term of Reference

- ▶ Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;

- » Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee;
- » Approving payment to Statutory Auditors for any other services rendered by them;
- » Reviewing, with the management, the Annual Financial Statements and auditor's report thereon before submission to the Board for approval, with particular reference to, (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013 (b) Changes, if any, in accounting policies and practices and reasons for the same (c) Major accounting entries involving estimates based on the exercise of judgment by management (d) Significant adjustments made in the financial statements arising out of audit findings (e) Compliance with listing and other legal requirements relating to financial statements (f) Disclosure of any related party transactions (g) Qualifications in the draft audit report, if any.
- » Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
- » Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilisation of proceeds of a public or rights issue, if any, and making appropriate recommendations to the Board to take up steps in this matter;
- » Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- » Approval or any subsequent modification of transactions of the company with related parties;
- » Scrutiny of inter-corporate loans and investments;
- » Valuation of undertakings or assets of the company, wherever it is necessary;
- » Reviewing and evaluation, with the management, the performance of Statutory and Internal Auditors and adequacy of the internal control system;
- » Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit;
- » Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- » Reviewing reports of internal audit and discussing with Internal Auditors on any significant findings of any internal investigations by the Internal Auditors and the executive management's response on matters and follow-up thereon;
- » Reviewing reports of Cost audit, if any, and discussion with Cost Auditors on any significant findings by them;
- » Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- » To review the functioning of the Vigil (Whistle Blower) mechanism;
- » Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- » Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors, if applicable;
- » Evaluating Internal Financial Controls and Risk Management Systems and reviewing the Company's financial and risk management policies;
- » Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- » Reviewing the Management Discussion and Analysis of financial condition and results of operation;
- » Reviewing the statement of significant related-party transactions;
- » Reviewing the Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- » To review the appointment, removal and terms of remuneration of the Chief internal auditor.
- » To review the internal audit report relating to internal control weaknesses

Corporate Affairs Committee

Composition

The Company's Corporate Affairs Committee comprises of two Executive Directors and two Non-executive Directors. Mr. Rajendra Kumar Somany, Chairman and Managing Director of the Company, is Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

The Corporate Affairs Committee met on fourteen occasions during 2014-15, on 26 April 2014, 8 May 2014, 18 July 2014, 22 August 2014, 24 September 2014, 30 October 2014, 18 November 2014, 19 December 2014, 9 January 2015, 9 March 2015 (2 meetings), 12 March 2015, 16 March 2015 and 30 March 2015.

The following table summarises the attendance details of the Corporate Affairs Committee members:

Name of Members	Status	No. of Meetings held during the tenure	No. of meetings attended
Mr. Rajendra Kumar Somany	Chairman	14	12
Mr. Sandip Somany	Member	14	12
Mr. G. L. Sultania	Member	14	3
Mr. Salil Bhandari	Member	14	7

Scope of the Corporate Affairs Committee

The Corporate Affairs Committee's terms of reference include providing authorisation to the Company's Executives on account of banking operations, taxation, corporate and financial management issues arising in the Company's day-to-day operations. The Committee's powers are revised from time to time by the Board of Directors to facilitate seamless operations of the Company.

and an Independent Director. Mr. Salil Bhandari, Independent Director of the Company is Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, the Corporate Social Responsibility Committee met twice on 11 August 2014 and 15 January 2015. The following table summarises the attendance details of the Corporate Social Responsibility Committee members:

Corporate Social Responsibility (CSR)

Committee

Composition

The Company's Corporate Social Responsibility Committee comprises of two Executive Directors

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Salil Bhandari	Chairman	2	2
Mr. Rajendra Kumar Somany	Member	2	2
Mr. Sandip Somany	Member	2	2

Scope of the Corporate Social Responsibility Committee

The above constituted Corporate Social Responsibility Committee formulated the Corporate Social Responsibility Policy to achieve its objective that being a corporate entity, HSIL acknowledges its obligation to contribute to the economic development of the State and the country while improving the quality of life of its workforce and their immediate families as well as of the community and society at large. While undertaking statutorily required CSR projects / programmes within India, the Company will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on improving the quality of life. The Company also places emphasis on development of knowledge and skills in the young, both male and female, in order to make them economically productive.

The Committee oversees the activities /functioning in identifying the area of Corporate Social Responsibility activities as specified in our CSR Policy in accordance with schedule VII of the Companies Act, 2013 and execution of initiative as per pre-defined guidelines. The Corporate Social Responsibility Policy of the Company is available on www.hindwarehomes.com.

Nomination and Remuneration Committee Composition

The Committee comprises of four members, three of them being Non-executive Independent Directors and one is Non-executive Non-Independent Director.

Mr. Salil Bhandari was appointed as chairman of the Committee w.e.f. 29 October 2014. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, the Nomination and Remuneration Committee met five times on 29 May 2014, 11 August 2014, 29 October 2014, 15 January 2015 and 25 March 2015. The following table summarises the attendance details of the Nomination and Remuneration Committee members:

Name of Members	Status	No. of Meetings held during the tenure	No. of meetings attended
Mr. Salil Bhandari	Chairman	5	5
Mrs. Sumita Somany*	Member	3	3
Mr. Ashok Jaipuria*	Member	3	1
Mr. N. G. Khaitan**	Member	2	2
Mr. V.K. Bhandari***	Member	4	3

* Mrs. Sumita Somany and Mr. Ashok Jaipuria were appointed as members w.e.f 11 August 2014.

** Mr. N.G. Khaitan was a member upto 11 August 2014.

*** Mr. V.K. Bhandari was Chairman and a member upto 11 August 2014 and again appointed as member w.e.f 29 October 2014.

Term of reference

The Nomination and Remuneration Committee is empowered to review and recommend to the Board of Directors, remuneration and commission of the Company's Executive Directors with the guidelines laid down under the statute. With the applicability of Companies Act, 2013, scope of the Remuneration Committee has been widened as follows:

- formulating criteria for determining qualifications, positive attributes and independence of Directors;
- identifying and recommending individuals who are qualified to become Directors, and who may be appointed as Senior Management in accordance with the criteria laid down;
- recommending appropriate training program for new Directors, Key Managerial Personnel and

Senior Management and periodically reviewing the same;

- formulating criteria for evaluation of independent Directors and the Board;
- evaluating the performance of the Directors based on the evaluation criteria and furnishing the Board with the necessary report for further evaluation;
- recommending to the Board a Policy, relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management, and while formulating such Policy ensuring that:
 - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain

- and motivate Directors, of the quality required to run the Company successfully;
- (ii) the relationship of remuneration to performance is clear and meets the appropriate performance benchmarks; and
 - (iii) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between the fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- ▶ assisting the Board, as and when required, in relation to matters relating to remuneration and incentives payable to Directors, Key Managerial Personnel and Senior Management, including increments to the compensation structure;
 - ▶ preparing a policy on diversity of the Board;
 - ▶ recommending to the Board the re-appointment and removal of any individuals holding the office of a Director, Key Managerial Personnel or Senior Management, subject to the provision of the law and their service contract;
 - ▶ reviewing remuneration of the Directors, Key Managerial Personnel and Senior Management based on performance criteria and recommending any changes thereto to the Board;
 - ▶ determining whether the relevant Director has the requisite qualifications for practice of a profession in terms of section 197 of the Companies Act, 2013 in relation to payment of remuneration for services rendered by such Director;
 - ▶ undertaking such other functions as may be determined by the Board or required under the provisions of the Companies Act or the Listing Agreement; and
 - ▶ undertaking such other actions as may be necessary or appropriate for performance of the aforementioned functions.
- The Remuneration Policy of the company is attached as Annexure E to the Board's Report.

Detail of Remuneration of Directors

The table below provides the details of the remuneration paid to the Directors during the financial year 2014-15:

Name of Directors	Amount (in ₹)					Total
	Basic	Perquisites	Commission (for the year 2013-14)	Contribution to PF	Sitting Fee	
Mr. Rajendra K Somany	1,86,85,484	45,73,711(*)	3,90,76,000	22,42,258	-	6,45,77,453
Mr. Sandip Somany	1,40,00,000	4,78,200	4,18,85,000	16,80,000	-	5,80,43,200
Ms. Sumita Somany*	-	-	-	-	35,000	35,000
Mr. V. K. Bhandari	-	-	19,11,633	-	1,00,000	20,11,633
Mr. Ashok Jaipuria#	-	-	19,11,634	-	-	19,11,634
Mr. N. G. Khaitan	-	-	19,11,633	-	95,000	20,06,633
Mr. G. L. Sultania	-	-	19,11,633	-	60,000	19,71,633
Dr. Rainer S. Simon	-	-	19,11,633	-	-	19,11,633
Mr. Salil Bhandari	-	-	19,11,634	-	1,20,000	20,31,634
Total	3,26,85,484	50,51,911	9,24,30,800	39,22,258	4,10,000	13,45,00,453

* Ms. Sumita Somany was appointed as Director w.e.f 29 May 2014

Mr. Ashok Jaipuria relinquished his entitlement of the sitting fee.

The Company has not issued any stock option to its directors/employees.

(*) Includes Leave Encashment of ₹ 43,50,000/-

Directors with materially significant, pecuniary or business relationship with the Company.

The transactions with related parties are furnished in **note no. 39** to Annual Accounts, as stipulated under Accounting Standard 18 (AS-18). Apart from related party transactions furnished in **note no. 39**, there are no transactions of material nature with Directors or their relatives and others, which may have potential conflict with the Company's interest. The Register of Contracts required to be maintained under Section 189(1) and rule 16(1) of the Companies Act, 2013, containing the contracts, in which the Directors are concerned or interested, is placed at the meeting of the Board of Directors for their approval and noting, on a periodical basis.

During the year no pecuniary or business relationship existed between the Non-executive and Independent Directors and the Company. M/s G. L. Sultania & Co., Proprietor Mr. G. L. Sultania, Non-executive Director of the Company, was paid consultancy fees for rendering professional services, which is approved by Audit committee and Board of Directors and further by shareholders in the Annual General Meeting of the Company held on 27 September 2014 and payment of professional fee to Dr. Rainer S. Simon in accordance with approval of Central Government, which is not to be construed as material transaction with the Company as per the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement.

The following table summarises the attendance details of the Stakeholders Relationship (Shareholders'/ Investors' Grievance) Committee members:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. N. G. Khaitan	Chairman	4	4
Mr. V. K. Bhandari	Member	4	4
Mr. G. L. Sultania	Member	4	4
Mr. Salil Bhandari	Member	4	4

With the applicability of Companies Act, 2013, transactions attracting provisions of section 188 which are in ordinary course of business and are at arm's length have been entered into after being reviewed, scrutinized and approved by the Audit Committee and with approval of the Board.

No transactions which are not in ordinary course of business and are not at arm's length have been entered into with any related party.

Stakeholder Relationship (Shareholders'/ Investors' Grievance) Committee**Composition**

The Committee comprises of four members, three of them being Independent Directors and one is Non-executive Non-Independent Director. The Chairman of the Committee is Mr. N. G. Khaitan. The Company Secretary of the Company acts as the Secretary to the Committee and is also the Company's Compliance Officer.

Meetings and Attendance

During the year, four meetings of the Committee were held on 29 May 2014, 11 August 2014, 29 October 2014 and 15 January 2015.

Scope of Stakeholders Relationship (Shareholders' / Investors' Grievance) Committee

- Reviewing and redressing Shareholders' and Investors' complaints / grievances concerning transfer of shares, non-receipt of dividends and non-receipt of Annual Reports, among others;
- Recommending measures for overall improvement in the quality of services being provided to the Shareholders / Investors.

During the year, 51 complaints were received and duly resolved by the Company.

Share Transfer Committee**Composition**

The Committee comprises of three members. The Chairman of the Committee is Mr. G. L. Sultania, who is a Non-executive Non-Independent Director; and the other two members are the Company's Executives.

Meetings and Attendance

The Committee conducts monthly meetings for the approval of transfer of shares lodged with the Company. As on 31 March 2015, no request for transfer of shares was pending. The Committee met 12 times during the year under review and all the members were present at the meetings.

Scope of the Share Transfer Committee

The Board entrusts the Share Transfer Committee with the powers related to transfers, transmissions,

consolidation, splitting and issue of share certificates, in exchange of sub-divided / consolidated and others, and overseeing the performance of the Company-appointed Registrar and Transfer Agent.

C. Other Meeting**Independent Directors Meeting**

During the year under review, the Independent Directors met on 15 January 2015 inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors;
- Evaluation of the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the view of the Executive and Non-executive Directors;
- The quality, quantity and time lines of flow of information between the company management and the board that is necessary for the board to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting except Mr. Ashok Jaipuria.

D. General Body Meetings**Annual General Meeting**

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2013-14	27 September 2014	11.00 a.m.	Somany Conference Hall, MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata – 700 001
2012-13	30 September 2013	11.00 a.m.	Same as above
2011-12	19 September 2012	2.30 p.m.	Same as above

Five Special Resolutions were passed at the Annual General Meetings held during the last three financial years.

Date of Annual General Meeting	No. of Special Resolution passed	Particulars
27 September 2014	2	1. Re-appointment of Mr. Rajendra Kumar Somany as Chairman and Managing Director of the Company w.e.f. 9 January 2015. 2. Authorisation to enter into Consultancy Contract with M/s. G. L. Sultania & Co., proprietor Mr. G. L. Sultania Non-executive Director of the Company for a period of 3 years w.e.f. 1 April 2014.
30 September 2013	3	1. Re-appointment of Mr. Sandip Somany as Joint Managing Director of the Company w.e.f. 1 December 2013. 2. Payment of Remuneration to Dr. Rainer Siegfried Simon, Non-Executive Director of the Company for 2 years w.e.f. 1 June 2013. 3. Remuneration by way of Commission to Non-Executive Directors of the Company during a period of 5 years from 1 April 2013.
19 September 2012	NIL	

Extra Ordinary General Meeting

During the financial year 2014-15, the Company held an Extra Ordinary General Meeting on 17 December 2014 and passed following resolutions:

Type of Resolution passed	Particulars
Special Resolution	To consider and approve issue of further securities
Ordinary Resolution	For appointment of Dr. Rainer Siegfried Simon as an independent director for 5 years w.e.f. 17 December 2014

Postal Ballot

During the financial year 2014-15, the Company conducted Postal Ballot twice, the results of which were declared on 24 September 2014 and 4 March 2015 respectively. Three resolutions were passed through Postal Ballot, the details of which are as under:

Sr. No.	Special Resolution	Votes casted in favour		Votes casted against		Date of declaration of results
		No. of votes	%	No. of votes	%	
1	Increase in the borrowing power of the Board of Directors u/s 180(1) (c) of the Companies Act, 2013 upto ₹1,500 crores	5,03,37,530	99.99	4,134	0.01	24 September 2014
2	Creation of charge on moveable and immovable properties of the Company both present and future u/s 180(1)(a) of the Companies Act, 2013	5,03,41,600	100.00	64	0.00	24 September 2014
3	To increase the aggregate limit for investment by the foreign institutional investors and non-resident Indians in equity share capital of the Company	5,26,78,589	100.00	66	0.00	4 March 2015

Mr. Parvin Kumar Drolia, Practicing Company Secretary, Kolkata, was appointed to act as scrutinizer of the Company to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

There is no immediate proposal for passing any resolution through postal ballot.

Procedure for Postal Ballot(s)

In compliance with clause 35B of the Listing Agreement and section 108, 110 and other applicable provisions of the Companies Act, 2013 read with related rules, the company engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing e-voting facility to all its members. The members were provided with the option to vote either by physical ballot or e-voting.

The Company dispatched the postal ballot notices and forms along with business reply envelopes to all its members whose names were appearing on the register of member/list of beneficiaries as on cut-off dates. The postal ballot notices were sent to the email addresses of Members who have registered their e-mail ID with their depository participants (in case of electronic shareholding)/ the company's Registrar and Share Transfer Agent (in case of physical shareholding). The Company also placed the notices on its website and published the same in the newspapers declaring the details of completion of dispatch and other requirement as mandated under the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the name of the members as on the cut-off date. Members who desired to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting and the members who desired to exercise their votes by physical postal ballot form were requested to return the duly completed and signed form, to the scrutinizer on or before the close of voting period.

The scrutinizer submitted his reports to the Chairman, after the completion of the scrutiny and the consolidated results of the voting by postal ballots and then announced by Mr. Rajendra Kumar Somany, Chairman and

Managing Director for the postal ballot dated 24 September 2014 and by Mr. G.L. Sultania, Director of the Company for the postal ballot dated 4 March 2015. All the proposed resolutions were passed with requisite majority and the results of postal ballots are also displayed on the website of the Company, 'www.hindwarehomes.com' besides being communicated to the stock exchanges. The date of declaration of the results by the Company is the date of passing of the resolution.

E. Disclosures

Disclosure of Accounting Treatment

The Company followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Risk management

The Company has an effective risk management procedure in place. The Company has formulated Risk Management Policy which was approved by the Board of Directors in their meeting held on 29 October 2014. In accordance with the Risk Management Policy, the Company has constituted a Risk Management Committee. Members of the Committee comprise of Mr. Rajendra Kumar Somany as Chairman and other executives of the Company as members of the Committee. This committee regularly analyses the risks and takes corrective actions for managing/mitigating the same. The internal control system also provides support for the Company's risk management at various levels of operations of business. The Company also has a Foreign Exchange Risk Management Policy in place to effectively monitor and mitigate Foreign Exchange Risk.

Strictures/Penalties

No strictures/penalties were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, or any matter related to capital markets during the last three years.

Proceeds from public issues, right issues, preferential issues

During financial year 2014-15, the Company has raised ₹ 250 crores through Qualified Institutional Placement (QIP) by allotting 62,50,000 Equity Shares of ₹ 2/- each at a premium of ₹ 398/- per share to Qualified

Institutional Buyers. Pursuant to clause 43 of the Listing Agreement with the stock exchanges, the proceeds from the aforementioned QIP has been utilised for incurring/accruing share issue expenses and reduction in loan.

Management

The Management Discussion and Analysis Report forms a part of the Annual Report and is in accordance with the requirements laid down in Clause 49 of the Listing Agreement.

No material transaction was entered into by the Company with the Promoters, Directors or the Senior Management that may have a potential conflict with the Company's interest

Vigil mechanism (Whistle Blower Policy)

It is a recognised and globally accepted fact that a genuine whistle blower can safeguard a company against any fraud, malpractice or wrong doing.

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal, unethical behavior, malpractice, impropriety, abuse or wrongdoing. The Company has a Vigil Mechanism (Whistle Blower) Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The email id where employees can post their complaints / observations is 'vigilmec@hindware.co.in'. During the year under review, no employee was denied access to Audit Committee.

Performance Evaluation

Pursuant to the provision of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, Chairman as well as the evaluation of the working of its Nomination and Remuneration Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Director and the Directors expressed their satisfaction with the evaluation process.

HSIL Code of Conduct for the Prevention of Insider Trading

The Company implemented a Code of Conduct for the Prevention of Insider Trading, in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended till date.

The Code of Conduct for Prevention of Insider Trading, inter alia, prohibits purchase/sale of Company's shares, while in possession of Company's unpublished and price-sensitive information and accordingly necessary procedures have been laid down for the Promoters, Directors, designated employees, Key Managerial Personnel, connected persons and others as prescribed under the said code for trading in the Company's securities.

HSIL-code of practices and procedures for fair disclosures is available on the Company's website 'www.hindwarehomes.com'

Subsidiary Companies

HSIL does not have any material non-listed Indian subsidiary, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year. The minutes of the Board meetings as well as statements of all significant transactions of the unlisted subsidiary companies are circulated with the agenda of the Board meeting to the Company's Board of Directors.

Particulars of Director seeking re-appointment

Pursuant to provisions of Companies Act, 2013, Mrs. Sumita Somany shall retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

For detailed particulars on the Director seeking re-appointment, please refer to Notice dated 18 May 2015 of the Annual General Meeting scheduled to be held on 23 September 2015.

Training of Independent Directors

As per Clause 49 of Listing Agreement, the Company shall provide suitable training to the Independent Directors to familiarise them with the Company, their roles, nature of the industry in which the Company operates, business model of the Company etc. The details of such training imparted are also required to be disclosed in the Annual Report.

The Company provides an orientation and business overview to all its new Directors and provides materials and briefing sessions periodically to all Directors which assist them in discharging their duties and responsibilities.

The details of programmes conducted for familiarisation of Independent Directors with the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: http://www.hindwarehomes.com/training_of_directors.aspx

Further, the Company issues a formal letter of appointment to Independent Directors outlining their roles, responsibilities, functions and duties as an Independent Director. The format of the letter of appointment is available on the Company's website at the link: http://www.hindwarehomes.com/appointment_letter_independent_director.aspx

Adoption of mandatory and non – mandatory requirements of Clause 49

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirement of Clause 49 of the Listing Agreement:

Audit Qualification

The Company is in the regime of unqualified financial statements.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

F. Means of Communication Results

The Quarterly, Half yearly and Annual results are submitted to the Stock Exchange(s) in accordance with Listing Agreement. Further, the quarterly/half yearly/annual results in the prescribed format, are published within 48 hours in any prominent daily newspaper, such as The Economic Times, The Financial Express, English Dailies and Kalantar vernacular newspaper. All vital information of the Company's performance, including Financial Results, Annual Reports of the last three years and Shareholding Pattern have been posted on the Company's website, 'www.hindwarehomes.com'.

News releases, presentations, among others

Official news releases and official media releases etc. are displayed on the Company's website viz. www.hindwarehomes.com.

Presentation

HSIL makes financial presentations to institutional investors, mutual funds and others who have invested or intends to invest in the Company's share capital and such presentations are available on the website of the Company.

Website

The Company's website 'www.hindwarehomes.com' contains a separate dedicated section 'Investors' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report

The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's

Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website www.hindwarehomes.com.

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, results and other requirement of Listing Agreement, media releases, among others are filed electronically on NEAPS, by the Company.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre')

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, result media releases, among others are also filed electronically on the Listing Centre by the Company.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by

concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive email-id

The Company has designated the email-id 'hsilinvestors@hindware.co.in' exclusively for investor servicing.

G. Shareholder Information

Company Registration Details

The Company is registered in the State of West Bengal, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L51433WB1960PLC024539.

Contact Information

Registered Office

2, Red Cross Place
Kolkata - 700 001
Phone: +91 - 33 - 2248 7406/07
Fax: +91 - 33 - 2248 7045
email: hsilinvestors@hindware.co.in

Corporate Office

301-302, Park Centra
Sector-30, National Highway – 8
Gurgaon, Haryana
Phone: +91- 124-477 9200
Fax: +91-124-429 2898-99
Email: payal@hindware.co.in

Division and Plant locations

Location	Address
Building Products Division	Haryana Bahadurgarh, District Jhajjar – 124507
	Telangana Somanyapuram, Brahmanapally, Bibinagar, District Nalgonda – 508126
	Rajasthan i) G 470-471, Phase I, RIICO Industrial Area, Bhiwadi – 301019 ii) Plot No. SPI - 254, RIICO Industrial Area, Kaharani, Bhiwadi - 301019
Packaging Products Division	Telangana i) Glass Factory Road, Off Motinagar, P. B No. 1930, Sanathnagar, P.O. Hyderabad – 500 018 ii) Glass Factory Road, Thukkapur Road, Bhongir, District Nalgonda – 508116
	Karnataka KIADB Industrial Area, Lakamanhalli, Dharward – 580004
	Uttarakhand F-86, UPSIDC, Industrial Area, Selaqui, Dehradun – 248197

Company Secretary

Ms. Payal M. Puri

Annual General Meeting

The 55th Annual General Meeting is scheduled to be held on 23 September 2015, at 11:00 a.m. at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata -700 020.

Financial Calendar

The Company follows April to March as its financial year. The results for every quarter, beginning from April, will be declared within 45 days of the end of quarter, except for the last quarter, which will be submitted, along with the annual audited results within 60 days of the end of the last quarter, as permitted under the Listing Agreement.

Date of Book Closure

16 September 2015 to 23 September 2015 (both days inclusive)

Dividend Payment Date

Latest by 28 September 2015

Listing on Stock Exchanges

The Stock Exchanges, at which the Company's equity shares are listed, and the respective stock codes are: National Stock Exchange of India Ltd. (NSE): HSIL BSE Ltd. (BSE): 500187.

International Securities Identification Number (ISIN) of the Company's equity shares, having face value of ₹ 2 each, is INE 415A 01038.

Listing fees for the financial year 2015-16, have been paid to the Stock Exchanges.

Registrar and Transfer Agent

M/s. Maheshwari Datamatics Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for its equity shares. The contact details of RTA are:

Maheshwari Datamatics Private Limited
6, Mangoe Lane, Kolkata – 700 001
Phone +91-33- 2243 5809/5029
Fax +91-33- 2248 4787
Email: mdpldc@yahoo.com

Share Transfer System

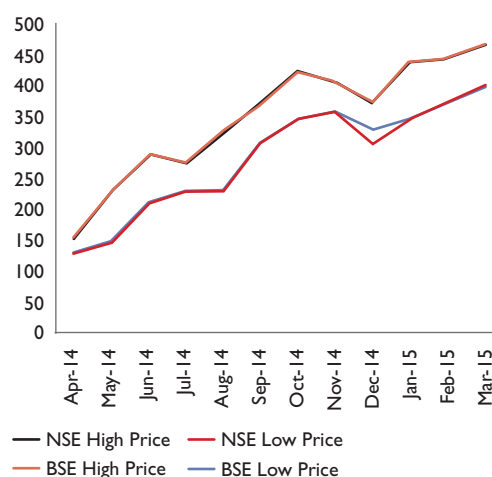
The Company has constituted a Share Transfer Committee to approve the transfer of securities. Share transfers, which are received in physical form, are processed and the share certificates returned within 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries through the depositories.

Market Price Data

Monthly stock market data of the Company's high-and-low prices of equity shares during 2014-15 and their performance, in comparison with the broad-based index, comprise:

Monthly Stock Market Data

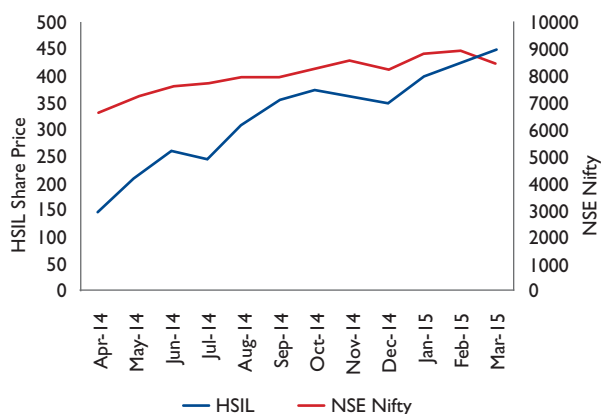
Month	NSE High Price ₹	NSE Low Price ₹	BSE High Price ₹	BSE Low Price ₹
Apr-14	155.00	130.10	156.00	131.00
May-14	231.00	146.55	230.90	149.15
Jun-14	289.50	210.00	289.90	212.00
Jul-14	277.00	225.40	276.90	230.20
Aug-14	327.40	230.90	329.00	231.65
Sep-14	370.25	310.00	369.70	310.45
Oct-14	424.40	347.25	423.00	346.05
Nov-14	409.00	360.00	408.00	361.00
Dec-14	376.75	306.15	377.00	330.00
Jan-15	439.90	347.00	439.00	347.95
Feb-15	445.00	378.00	445.60	378.00
Mar-15	467.80	401.95	468.00	400.10

Monthly NSE and BSE prices of equity shares

Monthly closing price of HSIL shares on NSE and NSE Nifty

Month	HSIL ₹	NSE Nifty
Apr-14	149.50	6696.40
May-14	211.70	7229.95
Jun-14	259.05	7611.35
Jul-14	243.80	7721.30
Aug-14	310.40	7954.35
Sep-14	356.70	7964.80
Oct-14	374.95	8322.20
Nov-14	363.65	8588.25
Dec-14	349.35	8282.70
Jan-15	398.85	8808.90
Feb-15	425.55	8901.85
Mar-15	450.60	8491.00

Monthly closing prices of HSIL shares and NSE NIFTY



Distribution of Shareholding as on 31 March 2015

Number of Shares held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Up to 500	15,064	81.51	17,52,240	2.42
501-1,000	1,846	9.99	14,37,715	1.99
1,001-2,000	773	4.18	11,42,518	1.58
2,001-3,000	236	1.28	5,99,379	0.83
3,001-4,000	117	0.63	4,10,580	0.57
4,001-5,000	80	0.43	3,71,153	0.51
5,001-10,000	154	0.83	11,43,293	1.58
10,001 and above	211	1.15	6,54,39,517	90.52
Total	18,481	100.00	7,22,96,395	100.00

Category of Shareholders as on 31 March 2015

Category	No. of Shares of ₹ 2 each	% of Total
Promoter, Directors and Relatives	3,40,62,249	47.11
Mutual Fund/UTI	1,76,73,627	24.45
Financial Institutions/Banks	1,82,922	0.25
Insurance Companies	500	0.00
Foreign Institutional Investors	82,48,698	11.41
Foreign Companies	NIL	NIL
Domestic Companies/Bodies Corporate	34,86,663	4.82
Non-resident Individual	2,36,324	0.33
Others	84,05,412	11.63
Total	7,22,96,395	100.00

Dematerialisation of Shares

The detail of shares dematerialised and those held in physical form, as on 31 March 2015

Particulars of Shares	Shares of ₹ 2 each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialised Form				
National Securities Depository Ltd. (NSDL)	6,46,70,367	89.45	11,254	60.90
Central Depository Services (India) Ltd. (CDSL)	64,05,783	8.86	4,789	25.91
Physical Form	12,20,245	1.69	2,438	13.19
Total	7,22,96,395	100.00	18,481	100.00

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

H. Code of Conduct

The Company's Board of Directors laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of the Company. The said Code of Conduct has also been posted on the Company's website. The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for 2014-15.

A declaration signed by the Company's Chairman and Managing Director to this effect is enclosed at the end of this report.

I. CEO and CFO Certification

The Certificate, as required under Clause 49 of the Listing Agreement with the Stock Exchanges, duly signed by the Chairman and Managing Director and Chief Financial Officer, was placed before the Board, and the same is provided as Annexure to this report.

J. Certification by Auditors

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Company's Statutory Auditors, M/s Walker Chandiok & Co LLP, have verified the compliances of the Corporate Governance by the Company. We have obtained a Certificate affirming the compliance from M/s Walker Chandiok & Co LLP, the Company's Statutory Auditors, and the same is annexed to this Report and forms a part of the Annual Report.

DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management Personnel have affirmed compliance with their respective code of conduct, as applicable to them, for the year ended 31 March 2015.

Place: Gurgaon
Date: 18 May 2015

Rajendra Kumar Somany
Chairman and Managing Director

CEO/CFO CERTIFICATION

To the Board of Directors

We hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement of HSIL Limited ('the Company') for the period up to 31 March 2015 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There were, to the best of our knowledge and belief, no transactions entered into by the Company during the above-mentioned period, which were fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the Company's internal control systems; we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, and the steps we have undertaken or propose to undertake to rectify these deficiencies
- d) We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the above-mentioned period;
 - ii. Significant changes in accounting policies, if any, during the above-mentioned period and that the same have been disclosed in the notes to the financial statements;
 - iii. Instances of significant fraud, of which we have become aware, and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

Rajendra Kumar Somany
Chairman and Managing Director

Sandeep Sikka
Chief Financial Officer

Place: Gurgaon

Date: 18 May 2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of HSIL Limited

We have examined the compliance of conditions of Corporate Governance by HSIL Limited ('the Company') for the year ended on 31 March 2015, as stipulated in Clause 49 of the listing agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and as per representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N/N500013

Per **Lalit Kumar**
Partner
Membership No.: 095256

Place: Gurgaon
Date: 18th May, 2015

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INDEPENDENT AUDITORS' REPORT

To the Members of
HSIL Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of HSIL Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. AS REQUIRED BY SECTION 143(3) OF THE ACT, WE REPORT 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 purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. the standalone financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- f. 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. as detailed in Note 32 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

Place : Gurgaon
 Date : 18 May 2015

per **Lalit Kumar**
 Partner
 Membership No.: 095256

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

of even date to the members of HSIL Limited, on the financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) receipt of the principal amount and the interest is regular; and
 - (b) there is no overdue amount in respect of loans granted to such a company.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (lacs)	Amount paid under protest (lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Central excise	4.98	2.50	Financial year ('FY') 1990-91	Customs, Excise and Service tax Appellate Tribunal
The Central Excise Act, 1944	Central excise	27.81	-	FY 1987-89	Commissioner of Central Excise, Rohtak
The Central Excise Act, 1944	Central excise	103.98	10.74	FY 2005-06	Customs, Excise and Service tax Appellate Tribunal
The Central Excise Act, 1944	Central excise	166.12	40.00	FY 2009-10	Customs, Excise and Service tax Appellate Tribunal
The Central Excise Act, 1944	Central excise	53.26	3.81	FY 2005-07	Customs, Excise and Service tax Appellate Tribunal
The Central Excise Act, 1944	Central excise	6.20	-	FY 2008-10	Commissioner, Mangalore
The Central Excise Act, 1944	Central excise	1.19	-	September 2004 to December 2004	Commissioner, Belgaum
The Central Excise Act, 1944	Central excise	2.61	-	FY 2009-10	Commissioner of Excise Appeals, Mysore
The Central Excise Act, 1944	Central excise	7.98	-	FY 2004-05 To 2005-06	Assistant Commissioner of Central Excise, Navanagar
Delhi Sales Tax Act, 1975	Sales tax	253.35	37.25	FY 2004-05 to 2011-12	Commissioner (Appeals), Sales- tax.
Andhra Pradesh Value Added Tax Act	Sales tax	1.03	-	FY 2012-13 and 2013-14	Appellate Deputy Commissioner Rural Division, Hyderabad.
Finance Act, 1994	Service tax	3.02	1.40	March 2006 to September 2006	Customs, Excise and Service tax Appellate Tribunal, Bangalor
Finance Act, 1994	Service tax	2.57	2.57	July 2005 to March 2006	Customs, Excise and Service tax Appellate Tribunal, Bangalore
Andhra Pradesh Value Added Tax Act	Sales Tax	6.94	3.19	FY 2011-12 and 2012-13	Appellate Deputy Commissioner Rural Division, Hyderabad.
Income-tax Act, 1961	Income-tax	3.84	-	Assessment year 2011-12	Commissioner Income-tax (Appeals), Calcutta

- (c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (I of 1956) and rules made thereunder within the specified time.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any bank during the year. The Company did not have any outstanding debentures or dues to financial institution during the year.
- (x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others
- from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)

Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Lalit Kumar**

Partner

Place : Gurgaon

Date : 18 May 2015

Membership No.: 095256

BALANCE SHEET

as at 31 March 2015

(₹ in lacs)

	Notes	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	1,445.97	1,320.97
Reserves and surplus	5	1,42,123.27	1,10,826.69
		1,43,569.24	1,12,147.66
Non-current liabilities			
Long-term borrowings	6	35,711.04	54,731.89
Deferred tax liabilities (net)	7	10,449.86	11,540.40
Other long-term liabilities	8	1,798.99	1,543.77
Long-term provisions	9	470.67	422.11
		48,430.56	68,238.17
Current liabilities			
Short-term borrowings	10	18,823.29	37,234.54
Trade payables	11	12,850.89	13,710.00
Other current liabilities	12	40,573.67	36,385.21
Short-term provisions	13	3,936.74	2,762.91
		76,184.59	90,092.66
		2,68,184.39	2,70,478.49
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	14	1,53,156.00	1,45,230.39
Intangible assets	14	2,797.69	3,492.71
Capital work-in-progress		3,354.28	11,930.95
		1,59,307.97	1,60,654.05
Non-current investments	15	14,448.58	13,274.00
Long-term loans and advances	16	2,787.14	4,980.25
Other non-current assets	17	135.58	169.50
		1,76,679.27	1,79,077.80
Current assets			
Inventories	18	43,571.44	40,573.00
Trade receivables	19	40,674.66	40,937.84
Cash and bank balances	20	2,396.46	5,846.90
Short-term loans and advances	21	4,659.34	3,848.54
Other current assets	22	203.22	194.41
		91,505.12	91,400.69
		2,68,184.39	2,70,478.49

Notes 1 to 51 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sandip Somany
Joint Managing Director
DIN: 00053597

Rajendra K Somany
Chairman and Managing Director
DIN: 00053557

Per **Lalit Kumar**
Partner

Payal M. Puri
Company Secretary

Sandeep Sikka
Chief Financial Officer

Place : Gurgaon
Date : 18 May 2015

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2015

(₹ in lacs)

	Notes	Year ended 31 March 2015	Year ended 31 March 2014
INCOME			
Income from operations (gross)	23	2,00,115.48	1,88,535.68
Less: Excise duty		14,413.80	13,887.77
Income from operations (net)		1,85,701.68	1,74,647.91
Other income	24	361.64	373.60
		1,86,063.32	1,75,021.51
EXPENSES			
Cost of raw materials consumed	25	35,193.45	33,816.85
Purchases of traded goods	26	32,814.14	28,867.21
Changes in inventories of finished goods, work-in-progress and traded goods	27	(1,991.64)	(4,390.45)
Employee benefits expense	28	19,705.19	17,020.54
Other expenses	29	65,837.28	72,595.64
		1,51,558.42	1,47,909.79
Profit before depreciation and amortisation, finance costs and tax expense		34,504.90	27,111.72
Depreciation and amortisation	14	11,925.11	10,570.48
Finance costs	30	7,355.15	6,789.43
Profit before tax		15,224.64	9,751.81
Tax expense			
Current tax			
- Current year		5,676.15	3,974.93
- Earlier years		-	274.88
Deferred tax		(866.48)	(117.97)
		4,809.67	4,131.84
Profit for the year		10,414.97	5,619.97
Earnings per equity share (₹)	31		
Basic and diluted earning per equity share		15.70	8.51

Notes 1 to 51 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sandip Somany
Joint Managing Director
DIN: 00053597

Rajendra K Somany
Chairman and Managing Director
DIN: 00053557

Per **Lalit Kumar**
Partner

Payal M. Puri
Company Secretary

Sandeep Sikka
Chief Financial Officer

Place : Gurgaon
Date : 18 May 2015

CASH FLOW STATEMENT

for the year ended 31 March 2015

(₹ in lacs)

	Year ended 31 March 2015	Year ended 31 March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	15,224.64	9,751.81
Adjustments for:		
Depreciation and amortisation	11,925.11	10,570.48
Gain on disposal of fixed assets	(27.06)	(13.88)
Loss on disposal of fixed assets	10.21	27.15
Finance costs	7,355.15	6,789.43
Unrealised gain on foreign exchange fluctuation	(11.06)	(108.23)
Interest income	(260.81)	(203.68)
Gain on sale of current investments	(3.38)	(25.71)
Provision for doubtful debts and advances	647.89	466.27
Provision for doubtful debts and advances written back	(120.78)	-
Bad debts written off	3.25	7.93
Sundry balances and liabilities no longer required, written back	(877.45)	(251.27)
Operating profit before working capital changes	33,865.71	27,010.30
Adjustments for :		
(Increase)/decrease in inventories	(2,998.43)	(3,576.95)
(Increase)/decrease in trade and other receivables	(2,697.58)	678.62
Increase/(decrease) in trade and other payables	2,270.60	(4,164.11)
Cash generated from operations	30,440.30	19,947.86
Direct taxes paid (net)	(3,800.00)	(1,570.00)
Net cash flow from operating activities	26,640.30	18,377.86
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets including capital work in progress and movement in capital advances/creditors of capital goods	(8,809.42)	(18,952.90)
Proceeds from disposal of fixed assets	129.90	167.65
Purchase of investments	(5,074.59)	(12,979.04)
Proceeds from sale of investments	3,903.38	10,750.71
Movement in other bank balances	(11.91)	12.23
Interest received	248.60	177.94
Net cash used in investing activities	(9,614.04)	(20,823.41)

(₹ in lacs)

	Year ended 31 March 2015	Year ended 31 March 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	5,139.65	14,922.14
Repayment of long term borrowings	(21,885.60)	(9,679.82)
Movement in short term borrowings (net)	(18,411.24)	4,283.79
Proceeds from Qualified institution placement issue	24,478.04	-
Interest paid	(7,491.33)	(6,834.48)
Dividend paid	(1,993.36)	(1,972.99)
Taxes on dividend paid	(336.74)	(336.74)
Net cash flow from financing activities	(20,500.58)	381.90
Net (decrease) in cash and cash equivalents	(3,474.32)	(2,063.65)
Cash and cash equivalents at the beginning of the year	5,318.59	7,379.95
Cash and cash equivalents at the beginning of the year of transferor company	-	2.29
Cash and cash equivalents at the end of the year	1,844.27	5,318.59
Note:		
Cash and bank balances include (refer note 20):		
Cash, cheques in hand, remittances in transit and fixed deposits	1,546.93	4,439.49
Balance with banks on current accounts	297.34	879.10
Cash and cash equivalents	1,844.27	5,318.59
Held as margin money in fixed deposits	464.96	453.05
Unclaimed dividend accounts	87.23	75.26
Other bank balances	552.19	528.31
Cash and bank balances as per balance sheet	2,396.46	5,846.90

Notes 1 to 51 form an integral part of these financial statements

This is the cash flow statement referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sandip Somany
Joint Managing Director
DIN: 00053597

Rajendra K Somany
Chairman and Managing Director
DIN: 00053557

Per **Lalit Kumar**
Partner

Payal M. Puri
Company Secretary

Sandeep Sikka
Chief Financial Officer

Place : Gurgaon
Date : 18 May 2015

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

NOTE 1 : BASIS OF PREPARATION

The financial statements have been prepared to comply with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis, as supplemented by revaluation of certain fixed assets. The accounting policies have been consistently applied by HSIL Limited (the 'Company').

NOTE 2 : USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

NOTE 3 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i Fixed assets

Tangible

Tangible assets (other than those which have been revalued) are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of cenvat credit availed) and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure on account of restoration/modification/alteration in plant and machinery/building, which increases the future benefit from the existing asset beyond its previously assessed standard of performance/estimated useful life, is capitalised.

Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under fixed assets.

Pre-operative expenditure including borrowing cost (net of revenue, where applicable) and foreign exchange differences on specific project loans incurred during the construction/trial run of the project is allocated on an appropriate basis to fixed assets upon commissioning.

Intangible

Intangible assets are recognised if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably in accordance with the notified Accounting Standard-26.

Capital work-in-progress

Capital work-in-progress includes assets under construction/installation comprising of direct cost and related incidental expenses. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

ii Depreciation and amortisation

A Tangible

- a) Depreciation on fixed assets has been provided as per guidance set out in Schedule II of the Act on straight line method using the undermentioned indicative lives-

Block of assets	Useful life as per the Act (in years)
1. Plant and machinery	7.5 - 25 years*
2. Building	10 - 60 years
3. Furniture and fixtures	10 years
4. Office equipments	5 years
5. Computer including software	3 - 6 years

* inter-alia, included in the aforementioned block of assets, are furnaces pertaining to the glass plant of the Company amounting to a gross book value of ₹ 20,832.99 lacs (previous year ₹ 20,743.05 lacs) where the management has adopted a useful life different from what is prescribed under Schedule II of the Act, based on independent chartered engineer's certificate.

- b) Leasehold improvements are being amortised over the lease period or estimated useful life of the leasehold improvements, whichever is lower.
- c) Vehicles are being depreciated using written down value method as per life of 8 years mentioned in Schedule II of the Act.

B Intangible

- a) Technical knowhow is being amortised over a period of ten years.
- b) Goodwill arising on merger is amortized over a period of seven years.

iii Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

iv Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are valued at the lower of cost and fair value. Long-term investments are stated at cost.

Provision is made for diminution in the value of long-term investments to recognise a decline, if any, other than temporary in nature.

Profit/loss on sale of investments are computed with reference to their cost determined on first in first out basis.

v Inventories

a) Inventories are valued as follows:

Raw materials including components, packing materials, stores and spares and goods-in-transit - At lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-progress - At cost up to estimated stage of completion.

Finished goods and traded goods - At lower of cost and net realisable value.

b) Cost of inventories is ascertained on the following basis:

Raw materials, stores and spare parts and packing materials - On weighted average basis.

Finished goods - traded - On weighted average basis.

Cost of manufactured finished goods and stock in process determined on weighted average basis and comprises of material, labour, other related production overheads and non-recoverable duties.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion to make the sale.

vi Cash and cash equivalent

Cash and cash equivalent comprise of balance at bank, cash in hand and short-term deposits with maturity of three months or less.

vii Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and there is certainty of ultimate collection.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards in respect of ownership of the goods are transferred to the customer and the Company retains no effective control of the goods transferred to the buyer and is stated inclusive of excise duty and net of trade discounts, sales return and sales tax wherever applicable.

Other income

1. Interest income is recognised on a time proportion basis at the applicable rates.
2. Insurance claims are recognised on actual realization basis.

viii Export benefit/incentives

Benefit under the advance license scheme and duty free replenishment certificate are accounted for at the time of purchase of imported raw material or sale of the license.

ix Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the notified Accounting Standard 15, 'Employee Benefits (Revised 2005)' ('Revised AS 15').

a) Provident fund

The Company makes contributions to independently constituted trusts recognized by income tax authorities and regional provident fund. In terms of the Guidance note on implementing the Revised AS 15, issued by the Accounting Standard Board of the Institute of Chartered Accountants of India (the 'ICAI'), the provident fund set up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognized as an expense in the period in which services are rendered by the employee.

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

b) Gratuity

Gratuity is a post employment defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are recorded as expense or income in the statement of profit and loss in the year in which such gains or losses arise.

c) Compensated absences

The liability in respect of compensated absences is determined on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains or losses are recognised in the statement of profit and loss in the year they arise.

d) Other short term benefits

Expenses relating to other short term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employee.

x Leases

Operating lease

Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on straight line basis over the term of the lease.

xi Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the statement of profit and loss.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are restated at the exchange rates prevailing at the balance sheet date. Differences arising on such restatement are recognised in the statement of profit and loss except to the extent permitted by the transitional provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009 in respect of long term foreign currency monetary items, in which case the cost of fixed assets are adjusted by the translation differences and amortised over the remaining useful life of the related asset.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

Forward exchange contracts and other currency derivative contracts that are not in principle forward contracts in accordance with the notified Accounting Standard 11 'Effect of change in Foreign Exchange Rates' that are entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market at the balance sheet date and exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in the notified Accounting Standard 1- Disclosure of Accounting Policies.

xii Research and development

Research and development expenditure is charged to statement of profit and loss except capital expenditure, which is added to the cost of respective fixed assets in the year in which it is incurred.

xiii Borrowing cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised as part of the cost of such assets, in accordance with the notified Accounting Standard 16 'Borrowing Costs'. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

xiv Taxes on income

Tax expense comprises current income-tax and deferred income-tax.

Current tax is determined as higher of the amount of tax payable in respect of taxable income for the period or tax payable on book profit computed in accordance with the provisions of section 115JB of the Income-tax Act, 1961.

Deferred income-tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income-tax during the specified period.

xv Share issue expenses

The share issue expenses are adjusted against the balance in Securities Premium Account as permitted under Section 52 of the Act.

xvi Earnings per share

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xvii Contingent liabilities and provisions

The Company makes a provision when there is a present obligation as a result of a past event, where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- present obligation, where a reliable estimate cannot be made.

When there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xviii Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III of Companies Act, 2013), the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

NOTE 4 : SHARE CAPITAL

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Authorised				
Equity shares of ₹ 2 each	11,12,50,000	2,225.00	11,12,50,000	2,225.00
		2,225.00		2,225.00
Issued				
Equity shares of ₹ 2 each	7,23,00,220	1,446.00	6,60,50,220	1,321.00
		1,446.00		1,321.00
Subscribed and paid up				
Equity shares of ₹ 2 each fully paid up	7,22,96,395	1,445.93	6,60,46,395	1,320.93
Add : forfeited shares		0.04		0.04
		1,445.97		1,320.97

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

(a) Reconciliation of share outstanding at the beginning and at the end of reporting year

Particulars	31 March 2015		31 March 2014	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Equity shares outstanding at the beginning of the year	6,60,46,395	1,320.93	6,60,46,395	1,320.93
Add: Shares issued during the year (refer note 48)	62,50,000	125.00	-	-
Equity shares outstanding at the end of the year	7,22,96,395	1,445.93	6,60,46,395	1,320.93

(b) 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. During the year ended 31 March 2015, the amount of per share dividend is recognised as distribution to equity shareholder as ₹ 3.50 per share (previous year ₹ 3 per share)

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.

(c) List of shareholders holding more than 5% of the equity share capital of the Company at: *

	31 March 2015		31 March 2014	
	Number	% of holding	Number	% of holding
Paco Exports Limited	2,06,64,530	28.58	2,06,64,530	31.29
Soma Investments Limited	40,00,000	5.53	40,00,000	6.06
New Delhi Industrial Promoters & Investors Limited	36,50,000	5.05	36,50,000	5.53

* Information is furnished as per shareholder register as at the year end.

- (d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.
- (e) The above figure of subscribed and paid up capital includes application and allotment money received on forfeited shares amounting to ₹ 0.04 lacs (previous year ₹ 0.04 lacs).

NOTE : 5 RESERVES AND SURPLUS

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
(a) Capital reserves		
Balance as at the beginning/end of the year	120.80	120.80
(b) Capital redemption reserve		
Balance as at the beginning/end of the year	15.00	15.00
(c) Securities premium account		
Balance as at the beginning of the year	21,144.82	21,144.82
Add: Premium on allotment of shares to Qualified Institutional Buyers	24,875.00	-
Less: Share issue expenses	521.95	-
Balance as at the end of the year	45,497.87	21,144.82
(d) Central subsidy reserve*		
Balance as at the beginning/end of the year	25.00	25.00
(e) Business reconstruction reserve		
Balance as at the beginning/end of the year	32,267.37	32,267.37

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NOTES 5 : RESERVES AND SURPLUS (CONTD.)

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
(f) General reserve**		
Balance as at the beginning of the year	22,903.64	20,903.64
Add: transfer from surplus in the statement of profit and loss	2,000.00	2,000.00
Balance as at the end of the year	24,903.64	22,903.64
(g) Surplus in the statement of profit and loss		
Balance as at the beginning of the year	34,350.06	33,120.07
Add: net profit for the year	10,414.97	5,619.97
Less: adjustments on account of merger (refer note 43)	-	(71.85)
Appropriations :		
Less: Depreciation adjustment***	(435.14)	-
Less: Proposed equity dividends including corporate dividend tax of ₹ 503.93 lacs (previous year ₹ 336.74 lacs)	(3,036.30)	(2,318.13)
Less: Transfer to general reserve	(2,000.00)	(2,000.00)
Balance as at the end of the year	39,293.59	34,350.06
	1,42,123.27	1,10,826.69

* Central subsidy reserve was created for subsidy received from the Government of India to install diesel generator sets.

** General reserve includes ₹ 10,000 lacs transferred from Business Reconstruction Reserve which cannot be used for issue of bonus shares and payment of dividend.

*** Based on the transitional provisions provided in Schedule II of the Act, an amount of ₹ 435.14 lacs (net of deferred tax) has been adjusted with the opening reserves as at 1 April 2014.

NOTE 6 : LONG-TERM BORROWINGS

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Secured		
Term loans from banks		
Foreign currency loans	26,228.21	42,311.48
Rupee loans	4,936.44	7,540.14
	31,164.65	49,851.62
Unsecured		
Deferred payment liabilities	4,546.39	4,880.27
	4,546.39	4,880.27
	35,711.04	54,731.89

Notes:

1. Foreign currency loans (including current maturities) comprises of:

- The External commercial borrowings ('ECB') of USD 16 million from Standard Chartered Bank, London, United Kingdom ('UK') carries an interest @ 6 months LIBOR plus 177 basis points ('bps'), is repayable in 6 yearly installments ranging from USD 0.962 million to USD 4.322 million commencing from September 2010. This ECB is secured by way of hypothecation of first pari passu charge on movable fixed assets (both

present and future) pertaining to the glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Company situated at Sanathnagar and Bhongir in Telangana.

- The ECB of USD 17 million from the Hongkong and Shanghai Banking Corporation Bank Plc, London, UK, carries interest @ 6 months LIBOR plus 200 bps is repayable in 30 installments ranging from USD 0.40 million to USD 1.00 million commencing

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from September 2011. This ECB is secured by way of hypothecation of first pari passu charge over the Company's movable fixed assets, plant and machinery, machine spares, tools and accessories (both present and future) pertaining to the glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. This ECB will be repayable by March 2016.

- c) The ECB of USD 16.75 million from Citibank N.A., London, UK carries an interest @ 6 months LIBOR plus 181 bps, is repayable in 9 half yearly installments ranging from USD 1.250 million to USD 1.938 million commencing from September 2011. This ECB is secured by way of hypothecation of first pari passu charge on moveable fixed assets (both present and future) pertaining to the glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Company situated at Sanathnagar and Bhongir in Telangana.
- d) The ECB of USD 8 million from Standard Chartered Bank (Mauritius) Limited carries an interest @ 6 months LIBOR plus 225 bps, is repayable in 32 equal installments of USD 0.25 million commencing from September 2012. This ECB is secured by way of hypothecation of first pari passu charge on movable fixed assets including plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. This ECB will be repayable by July 2016.
- e) The ECB of USD 8.955 million from DBS Bank Limited, Singapore carries an interest @ 3 months LIBOR plus 200 bps, is repayable in 32 installments ranging from USD 0.278 million to USD 0.281 million commencing from October 2012. This is secured by first pari passu

charge by way of mortgage of deposit of title deeds of immovable property situated at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana. This ECB will be repayable by August 2016.

- f) The ECB of USD 20 million from Standard Chartered Bank, London, UK carries an interest @ LIBOR plus 250 bps, is repayable in 50 installments ranging from USD 0.225 million to USD 0.90 million commencing from March 2014. This ECB is secured by way of hypothecation of first pari passu charge on movable fixed assets including plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. This ECB will be repayable by March 2019.
- g) The ECB of USD 25 million from DBS Bank Limited, Singapore carries an interest @ 6 months LIBOR plus 260 bps, is repayable in 50 installments ranging from USD 0.32 million to USD 0.72 million commencing from March 2014. This ECB is secured by way of first pari passu hypothecation and floating charge on movable fixed assets including plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass plants of the Company situated at Sanathnagar and Bhongir in Telangana. This ECB will be repayable by January 2019.
- h) The ECB of USD 20 million from the HSBC Bank (Mauritius) Limited carries an interest @ 6 months LIBOR plus 300 bps, is repayable in 35 installments ranging from USD 0.09 million to USD 1.14 million starting from November 2014. This ECB is secured by first pari-passu charge over all present and future movable and immovable fixed assets of Sanitaryware plant situated at Bibinagar, Telangana and faucet plant situated at Kehrani, Rajasthan. This ECB will be repayable by April 2018.

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2) Rupee loans (including current maturities) comprises of:

- Term loan of ₹ 5,000 lacs from DBS Bank Limited carries an interest @ 10.70% per annum and is repayable in 48 quarterly installments ranging from ₹ 62.50 lacs to ₹ 125.00 lacs commencing from February 2014. The loan is secured by first pari-passu charge on movable and immovable fixed assets situated at the Company's sanitaryware plant in Parnala and Bahadurgarh, District Jhajar, Haryana.
- Term loan of ₹ 2,900 lacs from Bank of Bahrain & Kuwait carries an interest @ 10.80% per annum and is repayable in 12 quarterly installments ranging from ₹ 241.30 lacs to ₹ 241.70 lacs commencing from April 2015. The loan is secured by first pari passu charge on vacant freehold land and building situated at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana.

- Vehicle loans amounting to ₹ 888.04 lacs are secured by way of hypothecation of the asset thus purchased. The interest ranges from 9.30% to 13.60% per annum. The aforementioned loans are repayable in 36-48 equal monthly instalments and the final instalment is due for repayment in December 2017.

- Deferred payment liabilities is in respect of value added tax and central sales tax liabilities pertaining to the years 1999-2000 to 2012-2013 and are repayable by the end of financial year 31 March 2027. The outstanding amount of deferred sales tax credit is subject to assessment by sales tax authorities.

- Current maturities of long-term borrowing amounting to ₹ 20,607.77 lacs (previous year ₹ 17,876.36 lacs) are included under the head 'Other current liabilities'.

NOTE 7 : DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Deferred tax liability arising on account of		
Depreciation and amortisation	14,596.51	15,435.53
	14,596.51	15,435.53
Deferred tax asset arising on account of		
Provision for doubtful debts and loans and advances	541.37	329.03
Employee benefits	220.58	210.84
Foreign exchange adjustments on external commercial borrowings	3,316.37	3,345.24
Others	68.33	10.02
	4,146.65	3,895.13
	10,449.86	11,540.40

NOTE 8 : OTHER LONG TERM LIABILITIES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Trade deposits from dealers (refer note 45)	1,612.42	1,342.75
Others		
Earnest money deposits	3.96	4.56
Vehicle loan deposits from employees	127.17	120.46
Security deposits/retention money payable	50.18	70.80
Other liabilities	5.26	5.20
	1,798.99	1,543.77

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NOTE 9 : LONG-TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits		
Compensated absences (refer note 36)	470.67	422.11
	470.67	422.11

NOTE 10 : SHORT-TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Secured		
Buyer's credit facilities	1,783.64	2,691.99
Cash credit facilities	2,805.38	17,548.13
Short term loans	-	8,000.00
	4,589.02	28,240.12
Unsecured		
Buyer's credit facilities	3,734.27	294.42
Short term loans	1,500.00	8,700.00
Commercial papers	9,000.00	-
	14,234.27	8,994.42
	18,823.29	37,234.54

Details of security and term of repayment of each type of borrowing:

Buyer's credit facilities :

Buyer's credit facilities from HDFC Bank, Citibank and Standard Chartered Bank, carrying interest ranging between 1.00% - 1.40% per annum (p.a.) is repayable within 6 months from the date of origination and is secured by hypothecation of all the current assets including stocks and book debts and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

Cash credit facilities :

- a) Cash credit facilities from Central Bank of India carrying interest @ 13.25% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

- b) Cash credit facilities from Canara Bank carrying interest @ 11.95% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- c) Cash credit facilities from Standard Chartered Bank carrying interest @ 12.00% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- d) Cash credit facilities from Citibank N.A. carrying interest @ 12.50% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks

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and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

e) Cash credit facilities from DBS Bank Limited carrying interest @ 11.50% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

f) Cash credit facilities from Andhra Bank carrying interest @ 12.00% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

g) Cash credit facilities from Hongkong and Shanghai Banking Corporation Limited carrying interest @ 10.70% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

h) Cash credit facilities from State Bank of India carrying interest @ 11.25% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at

Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

i) Cash credit facilities from HDFC Bank Limited carrying interest @ 10.75% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

j) Packing credit in foreign currency facilities from DBS Bank and Citibank, carrying interest ranging between 1.07% - 1.41% p.a. is repayable within 6 months from the date of origination and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

Unsecured short term borrowings

Buyer's credit facilities :

Buyer's credit facilities from IDBI Bank Ltd. carrying interest ranging between 0.72% - 1.30% p.a. is repayable within 6 months from the date of origination.

Short term loans:

Short term loan from Societe General Bank amounting to ₹ 1,500 lacs carrying interest @ 9.70% p.a. is repayable by 9 April 2015.

Commercial paper :

Commercial paper from HDFC Trustee Company Limited ₹ 9,000 lacs (previous year nil) carrying discount rate of 9.20% p.a. is payable on 26 May 2015.

NOTE II : TRADE PAYABLES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
- Due to Micro, Small and Medium Enterprises (refer note 35)	12.77	8.46
- Due to others	12,838.12	13,701.54
	12,850.89	13,710.00

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NOTE 12 : OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Current maturities of long term borrowings (refer note 6)	20,607.77	17,876.36
Interest accrued but not due on borrowings	440.76	635.83
Unclaimed dividends *	87.23	75.26
Gratuity payable (net of obligation) (refer note 36)	30.81	8.79
Other payables		
Advance from customers	485.64	1,155.19
Statutory liabilities	1,318.44	1,113.44
Payable to employees	1,332.28	1,285.61
Creditor for expenses	4,385.57	3,133.19
Commission payable to directors	1,344.33	974.21
Creditor for capital goods	366.00	474.19
Excise duty payable on finished goods	2,966.48	2,923.99
Other liabilities	7,208.36	6,729.15
	40,573.67	36,385.21

* Not due for deposit in the investor education and protection fund.

NOTE 13 : SHORT-TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits		
Compensated absences (refer note 36)	178.30	189.47
	178.30	189.47
Other provisions		
Provision for income-tax [net of advance tax of ₹15,916.48 lacs (previous year ₹ 11,419.53 lacs) and utilisation of minimum alternate tax credit amounting to ₹ 757.92 lacs (previous year ₹ 1,713.54 lacs)]	722.14	255.31
Proposed equity dividend	2,530.37	1,981.39
Provision for corporate dividend tax	505.93	336.74
	3,758.44	2,573.44
	3,936.74	2,762.91

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NOTE 14 : (A) FIXED ASSETS

Tangible assets

Particulars	Freehold land	Leasehold land	Building	Plant and machinery	Vehicles	Office equipments	Computers (including software)	Furniture and fixtures	Leasehold improvements	Total
(₹ in lacs)										
Gross block										
Balance as at 1 April 2013	48,260.47	225.00	25,963.13	98,831.19	2,004.46	583.46	2,339.20	1,484.87	10.44	1,79,702.22
Additions	1,847.48	10.00	3,709.33	2,277.39	429.80	31.88	115.81	182.17	-	8,603.86
Opening balance of transferor company (refer note c below)	473.25	42.57	775.12	4,933.36	11.70	43.88	35.26	8.99	-	6,324.13
Other adjustments (borrowing cost and foreign exchange fluctuation) (refer note a and b below)	-	-	601.65	3,948.60	-	-	-	-	-	4,550.25
Deletions/adjustment (refer note a and b below)	-	-	19.48	13.20	300.37	61.10	17.09	62.95	-	474.19
Balance as at 1 April 2014	50,581.20	277.57	31,029.75	1,09,977.34	2,145.59	598.12	2,473.18	1,613.08	10.44	1,98,706.27
Additions	1,941.52	22.04	6,707.60	7,286.61	828.53	167.77	783.49	300.29	-	18,037.85
Other adjustments (borrowing cost and foreign exchange fluctuation) (refer note a and b below)	-	-	746.50	1,134.89	-	1.98	4.06	2.70	-	1,890.13
Deletions/adjustment (refer note a and b below)	-	-	-	411.80	340.99	58.62	44.03	8.12	-	863.56
Balance as at 31 March 2015	52,522.72	299.61	38,483.85	1,17,987.04	2,633.13	709.25	3,216.70	1,907.95	10.44	2,17,770.69
Accumulated depreciation and amortisation										
Balance as at 1 April 2013	-	-	3,578.44	34,884.23	832.83	207.99	1,589.46	425.20	1.02	41,526.12
Opening balance of transferor company (refer note c below)	-	26.82	74.96	2,236.96	2.57	10.57	9.23	7.43	-	2,368.54
Additions	-	4.25	805.62	8,348.49	327.36	47.92	247.86	92.82	0.17	9,874.49
Deletions/adjustment	-	-	3.40	12.09	167.84	40.15	16.06	53.73	-	293.27
Balance as at 1 April 2014	-	38.02	4,455.62	45,457.59	994.92	226.33	1,830.49	471.72	1.19	53,475.88
Additions	-	1.26	1,190.71	9,532.85	404.97	221.51	326.79	211.03	0.17	11,889.29
Deletions/adjustment	-	-	-	411.06	232.25	57.61	42.43	7.13	-	750.48
Balance as at 31 March 2015	-	39.28	5,646.33	54,579.38	1,167.64	390.23	2,114.85	675.62	1.36	64,614.69
Net block										
Balance as at 31 March 2015	52,522.72	260.33	32,837.52	63,407.66	1,465.49	319.02	1,101.85	1,232.33	9.08	1,53,156.00
Balance as at 31 March 2014	50,581.20	239.55	26,574.13	64,519.75	1,150.67	371.79	642.69	1,141.36	9.25	1,45,230.39

Note:

- The borrowing cost capitalised during the year ended 31 March 2015 is ₹ 692.33 lacs (previous year Nil).
- Foreign exchange loss amounting to ₹ 1,197.80 lacs (previous year ₹ 4,550.25 lacs) has been capitalised during the year ended 31 March 2015.
- As further detailed in note number 43, this includes impact of revaluation carried out as per the requirement of the Scheme of Amalgamation between HSIL Limited (Transferee Company) and Garden Polymer Private Limited (Transferor Company).
- Effective from 1 April 2014, the Company has revised the estimates of computing the depreciation and amortisation based on the revised useful life of the assets as per the requirements of schedule II of the Act. Due to the aforementioned, the depreciation and amortisation charge for the year ended 31 March 2015 is higher by ₹ 523.65 lacs and fixed assets and profit for the year is lower by a corresponding amount.
- Further, based on the transitional provisions provided in Schedule II of the Act, an amount of ₹ 435.14 lacs (net of deferred tax) has been adjusted with the opening reserves as at 1 April 2014.

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NOTE 14 (B) : FIXED ASSETS

Intangible assets

(₹ in lacs)

Particulars	Trademarks	Technical know how	Goodwill	Total
Gross block				
Balance as at 1 April 2013	300.00	207.30	-	507.30
Opening balance of transferor company (refer note below)	-	-	4,715.91	4,715.91
Balance as at 1 April 2014/ 31 March 2015	300.00	207.30	4,715.91	5,223.21
Accumulated amortisation				
Balance as at 1 April 2013	300.00	60.81	-	360.81
Additions	-	22.29	673.70	695.99
Opening balance of transferor company (refer note below)	-	-	673.70	673.70
Balance as at 1 April 2014	300.00	83.10	1,347.40	1,730.50
Additions	-	20.73	674.29	695.02
Balance as at 31 March 2015	300.00	103.83	2,021.69	2,425.52
Net block				
Balance as at 31 March 2015	-	103.47	2,694.22	2,797.69
Balance as at 31 March 2014	-	124.20	3,368.51	3,492.71

Note:

As further detailed in note 43, this includes impact of revaluation carried out as per the requirement of the Scheme of Amalgamation between HSIL Limited (Transferee Company) and Garden Polymer Private Limited (Transferor Company).

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NOTE 15 : NON-CURRENT INVESTMENTS

(₹ in lacs)		
Particulars	As at 31 March 2015	As at 31 March 2014
Trade investments (valued at cost unless stated otherwise)		
Equity shares (unquoted)		
Investment in subsidiaries		
32,000,000 (previous year 22,000,000) equity shares of ₹10 each fully paid-up in Hindware Home Retail Private Limited	5,300.00	4,300.00
50,000 (previous year 50,000) equity shares of ₹10 each fully paid-up in HSIL Associates Limited	5.00	5.00
1,705,000 (previous year 1,705,000) equity shares of USD 1 each fully paid-up in Halis International Limited, Mauritius	782.50	782.50
Member's contribution of Euro 180 (previous year Euro 180) in Alchemy International Cooperatief U.A., Netherlands	0.12	0.12
Other investments (unquoted)		
804,000 (previous year 804,000) equity shares of ₹ 10 each fully paid-up in Andhra Pradesh Gas Power Corporation Limited	1,073.61	1,073.61
60,000 (previous year 60,000) equity shares of ₹10 each fully paid-up in Indian Plumbing Skills Council	6.00	6.00
Preference shares (unquoted)		
Investment in subsidiaries		
1,757,000 (previous year 1,472,000) redeemable preference shares of USD 1 each fully paid-up in Halis International Limited, Mauritius	989.07	814.53
6,290,000 (previous year 6,290,000) redeemable preference shares of ₹ 100 each fully paid-up in Hindware Home Retail Private Limited	6,290.00	6,290.00
	14,446.30	13,271.76
Non-trade investments (valued at cost unless stated otherwise)		
Equity shares (quoted)		
Other investments		
125 (previous year 125) equity shares of ₹ 10 each fully paid up in Neycer India Limited	0.01	0.01
50 (previous year 50) equity shares of ₹ 10 each fully paid up in Swastik Sanitarywares Limited	0.01	0.01
Government securities (unquoted)		
National Savings Certificates*	2.26	2.22
	2.28	2.24
	14,448.58	13,274.00
Aggregate amount of quoted investments (market value ₹ 0.02 lacs, previous year: ₹ 0.02 lacs)	0.02	0.02
Aggregate amount of unquoted investment	14,446.30	13,271.76
* Deposited with government authority	2.26	2.22

NOTE 16 : LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)

(₹ in lacs)		
Particulars	As at 31 March 2015	As at 31 March 2014
Capital advances	1,187.80	3,111.67
Security deposits, unsecured	1,315.29	1,273.67
Other loans and advances, unsecured		
Prepaid expenses	27.27	14.88
Others*	256.78	580.03
	2,787.14	4,980.25

* represents balances with excise, sales tax and other authorities

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NOTE 17 : OTHER NON-CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Fixed deposits with banks whose original maturity is more than twelve months*	127.70	165.01
Interest accrued but not due on deposits	7.88	4.49
	135.58	169.50

* Includes margin money deposits amounting to ₹ 127.70 lacs (previous year: ₹ 165.01 lacs) pledged with banks against various bank guarantees/letter of credit issued by banks on behalf of the company.

NOTE 18 : INVENTORIES (As taken, valued and certified by the management, valued at lower of cost or net realisable value)

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Raw materials and components	3,849.71	2,693.12
Add: raw materials and components in transit	187.97	4,037.68
Work-in-progress	1,850.97	1,510.70
Finished goods (including traded goods)	34,122.21	32,473.40
Stores and spares	2,199.04	2,446.22
Add: stores and spares in transit	11.54	2,210.58
Loose tools	9.99	10.07
Packing material	843.69	888.28
Oils, fuels, lubricants and others	496.32	481.41
	43,571.44	40,573.00

NOTE 19 : TRADE RECEIVABLES (Unsecured, unless otherwise stated)

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Debts outstanding for a period exceeding six months from the date they are due for payment:		
Considered good		
- Secured	203.60	47.66
- Unsecured	1,030.63	381.90
Considered doubtful	1,524.26	948.24
	2,758.49	1,377.80
Less: Provision for doubtful debts	1,524.26	948.24
	1,234.23	429.56
Other debts		
Considered good	38,978.76	40,007.69
Considered good, secured	461.67	500.59
	39,440.43	40,508.28
	40,674.66	40,937.84

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Trade receivables includes:-	As at 31 March 2015		As at 31 March 2014	
	No.	₹ in lacs	No.	₹ in lacs
Due from a subsidiary company	1	51.43	-	-

NOTE 20 : CASH AND BANK BALANCES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Cash and cash equivalents		
Balance with banks		
On current accounts	297.34	879.10
Cheques in hand	781.87	766.03
Cash in hand	104.88	89.86
Remittance in transit	360.18	483.60
Fixed deposits with original maturity of less than three months	300.00	3,100.00
	1,844.27	5,318.59
Earmarked balances with banks		
Unpaid dividends accounts	87.23	75.26
Other bank balances		
Held as margin money in fixed deposits	464.72	453.05
Fixed deposits with original maturity of more than three months but less than twelve months	0.24	-
	2,396.46	5,846.90

NOTE 21 : SHORT-TERM LOANS AND ADVANCES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
(Unsecured, considered good)		
Advances to suppliers	1,567.39	1,162.37
Advances recoverable in cash or in kind or for value to be received	838.03	517.05
Balances with excise, sales tax and other authorities	2,232.11	1,411.20
Advance to employees	21.81	-
Minimum Alternate Tax credit entitlement	-	757.92
	4,659.34	3,848.54
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	68.48	51.97
Less : Provision for doubtful loans and advances	68.48	51.97
	-	-
	4,659.34	3,848.54

NOTE 22 : OTHER CURRENT ASSETS

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Interest accrued but not due on deposits	203.22	194.41
	203.22	194.41

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NOTE 23 : INCOME FROM OPERATIONS (GROSS)

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Sales of products		
Finished goods	1,96,502.76	1,85,571.06
Other operating income		
Export incentives	-	333.89
Sundry balances and liabilities no longer required, written back	834.41	246.27
Gain on foreign exchange fluctuations	409.94	278.98
Maintenance service income	37.13	39.39
Insurance claims received	297.67	502.12
Scrap sales	323.18	357.60
Provision for doubtful debts and advances written back	120.78	-
Miscellaneous income	1,589.61	1,206.37
	2,00,115.48	1,88,535.68
Detail of products sold		
Sanitaryware, fittings and other allied products	96,370.56	91,013.73
Glass bottles, containers and pet bottles	99,987.08	94,400.03
Others	145.12	157.30
	1,96,502.76	1,85,571.06

NOTE 24 : OTHER INCOME

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Rent received	25.11	42.24
Interest income	260.81	203.68
Sundry balances and liabilities no longer required, written back	43.04	5.00
Gain on disposal of fixed assets	27.06	13.88
Gain on sale of current investments	3.38	25.71
Miscellaneous income	2.24	83.09
	361.64	373.60

NOTE 25 : COST OF RAW MATERIALS CONSUMED

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Detail of raw materials and components consumed		
Clay	1,218.27	1,362.52
Soda ash	10,327.31	9,914.75
Cullets	6,198.40	6,872.15
Quartz/feldspar	2,087.42	1,743.34
Others	15,362.05	13,924.09
	35,193.45	33,816.85

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NOTE 25 : COST OF RAW MATERIALS CONSUMED (CONTD.)

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Closing stock of raw material and components		
Clay	144.02	128.76
Soda ash	1,107.60	197.48
Cullets	495.11	685.85
Quartz/feldspar	127.34	54.24
Others	2,163.61	1,626.79
	4,037.68	2,693.12

NOTE 26 : PURCHASES OF TRADED GOODS

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Sanitaryware and other allied products	32,814.14	28,867.21
	32,814.14	28,867.21

NOTE 27 : CHANGE IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Opening stock		
Work in progress	1,510.70	1,312.97
Finished goods	32,473.40	27,891.07
	33,984.10	29,204.04
Less: Closing stock		
Work in progress	1,850.97	1,510.70
Finished goods	34,122.21	32,473.40
	35,973.18	33,984.10
Change in stocks	1,989.08	4,780.06
Excise duty on opening stock	2,969.04	2,579.43
Less : Excise duty on closing stock	2,966.48	2,969.04
Change in excise duty on finished goods	(2.56)	389.61
	1,991.64	4,390.45
Details of inventory		
Work-in-progress		
Sanitaryware, fittings and other allied products	1,673.37	1,339.02
Glass bottles, containers and pet bottles	177.60	171.68
	1,850.97	1,510.70
Finished goods		
Sanitaryware, fittings and other allied products	18,714.23	13,493.68
Glass bottles, containers and pet bottles	15,407.98	18,979.72
	34,122.21	32,473.40

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NOTE 28 : EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Salaries, wages and bonus	17,997.59	15,410.90
Contribution to provident and other funds	964.46	860.41
Staff welfare expenses	743.14	749.23
	19,705.19	17,020.54

NOTE 29 : OTHER EXPENSES

	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Power and fuel	28,012.20	37,701.70
Consumption of stores and spares parts	4,495.23	3,809.86
Consumption of packing material	8,906.10	8,789.63
Consumption of loose tools	61.08	58.13
Consumption of oil, fuel and lubricants	311.44	321.74
Repairs and maintenance:		
Buildings	286.64	268.81
Plant and machinery	836.67	924.55
Other assets	364.49	310.73
Rent (including hire charges)	737.97	711.61
Rates and taxes	367.22	448.69
Directors sitting fees	4.10	2.45
Expenditure on ceramic and applied research centre (refer note 42)	76.68	68.85
Insurance	494.90	477.35
Travelling and conveyance	1,889.20	1,747.29
Discounts	3,989.13	3,868.81
Commission on sales	448.40	814.15
Freight and forwarding charges - exports	1,460.21	676.56
Advertisement and publicity	4,661.88	3,710.03
Transportation and forwarding	2,832.27	2,370.96
Sales promotion expenses	2,465.99	1,853.36
Other selling expenses	214.36	213.17
Provision for doubtful debts and advances	647.89	466.27
Bad debts written off	3.25	7.93
Corporate social responsibility expenditure (refer note 49)	92.97	-
Charity and donation	30.05	1.45
Loss on foreign exchange fluctuation	261.42	1,145.52
Loss on disposal of fixed assets	10.21	27.15
Miscellaneous expenses	1,875.33	1,798.89
	65,837.28	72,595.64

NOTE 30 : FINANCE COSTS

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Interest expense	7,247.84	6,552.61
Other borrowing costs	107.31	236.82
	7,355.15	6,789.43

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NOTE 31 : EARNING PER SHARE

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Computation of profit		
a) Profit attributable to equity shareholders (₹ in lacs)	10,414.97	5,619.97
b) Computation of weighted average number of shares for Basic and diluted earnings per share (weighted number of shares)	6,63,20,368	6,60,46,395
c) Nominal value per share (₹)	2	2
d) Earnings per share – basic and diluted (₹)	15.70	8.51

NOTE 32 : CONTINGENT LIABILITIES

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
(₹ in lacs)		
1) Contingent liabilities not provided for in respect of:		
a) Demands raised by the excise authorities against which appeals have been filed	379.72	364.21
b) Demands made by the sales tax authorities against which appeals have been filed	261.32	295.85
c) Demands raised by the income-tax authorities against which appeals have been filed	3.84	62.65
d) Duty availed on imports against Export Promotion Capital Goods licenses	2,666.36	2,818.42
e) Bank guarantees outstanding	1,176.39	3,057.76
f) Loan outstanding of ₹ 3,456.84 lacs (previous year ₹ 3,455.35 lacs) against corporate guarantees (as given for Barwood Products Limited and Hindware Home Retail Private Limited) of ₹ 9,177.18 lacs (previous year ₹ 8,234.83 lacs)		
g) Claims against the Company not acknowledged as debts	2,582.34	2,043.44
2) Unfulfilled export obligation under Export Promotion Capital Goods license of Export Import Policy	21,227.04	22,547.37

NOTE 33 : CAPITAL AND OTHER COMMITMENTS

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
(₹ in lacs)		
Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	7,041.34	2,857.76

NOTE 34 : PAYMENT TO STATUTORY AUDITORS:*

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
(₹ in lacs)		
As auditors	25.50	21.00
Other services	38.65	6.50
For reimbursement of expenses	4.63	6.04
	68.78	33.54

* excluding service tax

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NOTE 35 : DUESTO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT (MSMED), 2006

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Principal amount remaining unpaid	12.77	8.46
Interest accrued and remaining unpaid as at year end	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financials statements based on information received and available with the Company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006 and there are no payments made to micro and small suppliers beyond the appointed day during the year ended 31 March 2015 and 31 March 2014.

NOTE 36 : EMPLOYEE BENEFITS

During the year the Company has recognised the following amounts in the statement of profit and loss.

a) Provident and other fund*

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Employer's contribution to provident fund**	637.94	533.83
Employer's contribution to employee's state insurance	149.61	130.65

* included in contribution to provident and other funds (refer note 28)

** in terms of the guidance on implementing the revised AS 15, the provident fund set up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. However, as at the year-end the Company is having no interest shortfall, which is unprovided.

b) Defined benefit plan - gratuity (funded)

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Amount recognised in the balance sheet :		
Present value of obligations	1,594.35	1,355.55
Fair value of plan assets	1,563.54	1,346.76
Net liability recognised in the balance sheet (refer note 12)	30.81	8.79
Amounts recognised in the statement of profit and loss :		
Current service cost	170.00	131.21
Interest cost	98.87	107.12
Expected return on plan assets	(107.74)	(110.84)
Actuarial loss	79.68	8.93
Total included in employee benefits expense*	240.81	136.42
*refer note 28		
Return on plan assets:		
Expected return on plan assets	107.74	110.84
Actuarial loss	-	0.73
Actual return on plan assets	107.74	111.57

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b) Defined benefit plan - gratuity (funded) (Contd.)

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Reconciliation of opening and closing balances of benefit obligations and plan assets		
Change in defined benefit obligation		
Defined benefit obligation at the beginning of the year	1,355.55	1,329.84
Acquisition adjustment (refer note 43)*	-	11.08
Interest cost	98.87	107.12
Current service cost	170.00	131.21
Benefits paid	(239.24)	(233.35)
Actuarial (gain)/loss	209.17	9.65
Defined benefit obligation at the end of the year	1,594.35	1,355.55
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,346.76	1,255.11
Acquisition adjustment (refer note 43)*	-	11.58
Expected return on plan assets	107.74	110.84
Employer's contributions	218.79	201.85
Benefits paid	(239.24)	(233.35)
Actuarial loss	129.49	0.73
Fair value of plan assets at the end of the year	1,563.54	1,346.76

* transfer of balances (as per actuarial valuation report) on account of merger of Garden Polymer Private Limited ('transferor company') with HSIL Limited ('transferee company').

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Assumptions used to determine the defined benefit obligation:		
Discount rate	8.00%	8.75%
Expected rate of increase in compensation levels	6.25%	6.25%
Expected rate of return on plan assets	8.00%	8.75%
Expected average remaining working life of employees	17 years	18 years

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Demographic assumptions		
Mortality table	IALM 2006-08	IALM 2006-08
	Ultimate	Ultimate
Superannuation age	58 years	58 years
Early retirement and disablement	10 Per thousand per annum	
- above age 45	6	6
- between 29 and 45	3	3
- below age 29	1	1

(₹ in lacs)

Amounts for the current and previous years are as follows:	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit plan – gratuity					
Defined benefit obligation	(1,594.35)	(1,355.55)	(1,329.84)	(1,210.32)	(1,095.89)
Plan assets	1,563.54	1,346.76	1,255.11	1,130.54	1,114.43
(Deficit)/surplus	(30.81)	(8.79)	(74.73)	(79.78)	18.54

The Company made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The Company was not informed by BSL of the investment made or the break down of plan assets by investment type, accordingly related disclosures are not included in these financial statements.

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c) Defined benefit plan - compensated absences (unfunded)

(₹ in lacs)

	Year ended 31 March 2015	Year ended 31 March 2014
Amounts recognised in the balance sheet		
Long-term (refer note 9)	470.67	422.11
Short-term (refer note 13)	178.30	189.47
	648.97	611.58
Amounts recognised in the statement of profit and loss		
Current service cost	89.63	77.92
Interest cost	51.98	46.23
Actuarial loss	76.96	115.15
Total included in employee benefits expense*	218.57	239.30
*refer note 28		
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	611.58	577.83
Interest cost	51.98	46.23
Current service cost	89.63	77.92
Benefits paid	(181.18)	(205.55)
Actuarial loss	76.96	115.15
Defined benefit obligation at the end of the year	648.97	611.58
Assumptions used		
Discounting rate	8.00%	8.50%
Expected rate of increase in compensation levels	5.50%	6.00%
Expected average remaining working life of employees	21.90 years	21.86 years

NOTE 37 : UN-HEDGED POSITION

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below as on each balance sheet date:

(in lacs)

Included in	31 March 2015		31 March 2014	
	Amount in foreign currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade receivables				
United States Dollar ('USD')	7.41	463.94	10.27	617.33
Trade payables				
USD	1.95	122.00	12.13	729.03
Euro	2.39	161.19	0.97	80.11
Great Britain Pound ('GBP')	0.27	24.82	0.01	1.43
Short-term borrowings				
USD	85.09	5,326.12	48.35	2,905.90
Euro	2.84	191.79	0.98	80.51
Long-term borrowings				
USD	434.03	27,166.26	546.42	32,839.49
	31 March 2015		31 March 2014	
Currency rate				
USD	62.5908		60.0998	
Euro	67.5104		82.5765	
GBP	92.4591		99.8498	

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NOTE 38 : DETAILS OF DERIVATIVE INSTRUMENTS OUTSTANDING AS ON 31 MARCH 2015

Particulars of hedged derivatives	(in USD lacs)		Purpose
	31 March 2015	31 March 2014	
Derivative contracts	269.99	410.89	Hedge against external commercial borrowings.

NOTE 39 : IN ACCORDANCE WITH THE REQUIRED ACCOUNTING STANDARD (AS-18) ON RELATED PARTY DISCLOSURES WHERE CONTROL EXIST AND WHERE TRANSACTIONS HAVE TAKEN PLACE AND DESCRIPTION OF THE RELATIONSHIP AS IDENTIFIED AND CERTIFIED BY THE MANAGEMENT ARE AS FOLLOWS:

a) List of related parties

Relationship	Name of related party
Key management personnel (KMP)	Rajendra K Somany
	Sandip Somany
	Sumita Somany
Subsidiaries	Hindware Home Retail Private Limited
	HSIL Associates Limited
	Halis International Limited, Mauritius
	Alchemy International Cooperatief U.A. (subsidiary of Halis International Limited)
	Haas International B.V. (subsidiary of Alchemy International Cooperatief U.A.)
	Barwood Products Limited (subsidiary of Haas International B.V.)
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	Textool Mercantile Private Limited
	Paco Exports Limited
	New Delhi Industrial Promoters and Investors Limited
	Soma Investments Limited

b) Summary of related party transactions-

Particulars	(₹ in lacs)					
	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
A Transactions during the year						
a) Sale of goods						
Hindware Home Retail Private Limited	60.96	149.05	-	-	-	-
b) Purchase of trading goods						
Hindware Home Retail Private Limited	19.71	50.36	-	-	-	-
c) Expenses paid on behalf of subsidiary						
Hindware Home Retail Private Limited	7.89	8.34	-	-	-	-
d) Expenses paid by subsidiary on our behalf						
Hindware Home Retail Private Limited	0.79	1.77	-	-	-	-
e) Rent paid						
Hindware Home Retail Private Limited	9.72	29.27	-	-	-	-
Rajendra K Somany	-	-	4.80	4.80	-	-
Textool Mercantile Private Limited	-	-	-	-	1.46	0.73
Paco Exports Limited	-	-	-	-	19.87	18.48

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b) Summary of related party transactions- (Contd.)

(₹ in lacs)

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
f) Interest income						
Hindware Home Retail Private Limited	9.03	2.01	-	-	-	-
g) Rent income						
Soma Investments Limited	-	-	-	-	0.01	0.01
New Delhi Industrial Promoters and Investors Limited	-	-	-	-	0.01	0.01
Paco Exports Limited	-	-	-	-	0.01	0.01
h) Investment made						
Hindware Home Retail Private Limited	1,000.00	2,000.00	-	-	-	-
Halis International Limited	174.56	250.93	-	-	-	-
i) Intercompany loan given						
Hindware Home Retail Private Limited	600.00	500.00	-	-	-	-
j) Intercompany loan received back						
Hindware Home Retail Private Limited	600.00	500.00	-	-	-	-
k) Advances against order to subsidiary						
Hindware Home Retail Private Limited	2.60	-	-	-	-	-
l) Director's remuneration						
Rajendra K Somany	-	-	800.42	573.49	-	-
Sandip Somany	-	-	800.42	573.49	-	-
Sumita Somany	-	-	19.98	-	-	-
B Balance outstanding at the year end						
Hindware Home Retail Private Limited (receivable)	51.43	-	-	-	-	-
Remuneration payable						
Rajendra K Somany	-	-	545.41	390.76	-	-
Sandip Somany	-	-	638.83	437.75	-	-
Sumita Somany	-	-	19.63	-	-	-

NOTE 40 : PAYMENT TO DIRECTORS*

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
a) Salary	326.85	277.48
b) Contribution to provident fund	39.22	33.30
c) Commission	1,344.33	974.21
d) Perquisites	50.53	7.70
e) Directors' sitting fee	4.10	2.45
Total	1,765.03	1,295.14

* exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on Company as a whole.

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

NOTE 4I : PARTICULARS RELATING TO FOREIGN EXCHANGE

a) Value of imports calculated on C.I.F. basis during the year in respect of

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Raw materials and components	9,970.28	8,085.13
Stores and spares	1,282.52	712.21
Capital goods	995.08	1,094.09
Sanitaryware and other allied products	13,127.41	8,553.12
Total	25,375.29	18,444.55

b) Expenditure in foreign currency (on accrual basis)

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Commission on exports	28.04	12.66
Travelling	256.13	239.53
Consultancy fee	244.88	163.43
Finance cost	1,956.00	2,964.62
Rent	2.99	1.71
Others	0.13	0.24
Total	2,488.17	3,382.19

c) Earnings in foreign exchange (on accrual basis)

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
FOB value of export of goods	5,476.19	2,638.82
Total	5,476.19	2,638.82

d) Value of imported and indigenous raw materials and component, packing material, loose tools, oil, fuel and lubricants, stores and spares consumed

Raw materials and components

(₹ in lacs)

Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
	Value	%	Value	%
Imported	11,238.05	31.93	10,175.03	30.09
Indigenous	23,955.40	68.07	23,641.82	69.91
Total	35,193.45	100.00	33,816.85	100.00

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

Packing material, loose tools and oil, fuel and lubricants

(₹ in lacs)

Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
	Value	%	Value	%
Imported	14.15	0.15	-	-
Indigenous	9,264.47	99.85	9,169.50	100.00
Total	9,278.62	100.00	9,169.50	100.00

Stores and spare parts

(₹ in lacs)

Particulars	Year ended 31 March 2015		Year ended 31 March 2014	
	Value	%	Value	%
Imported	1,020.20	22.70	663.69	17.42
Indigenous	3,475.03	77.30	3,146.17	82.58
Total	4,495.23	100.00	3,809.86	100.00

NOTE 42 : EXPENDITURE ON CERAMIC AND APPLIED RESEARCH CENTRE

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Salaries, wages and bonus	58.12	50.95
Contribution to provident and other funds	2.52	2.18
Others	16.04	15.72
Total	76.68	68.85

NOTE 43 : SCHEME OF AMALGAMATION

- The Board of Directors of the Company on 25 September 2012 approved the Scheme of Amalgamation (the 'Scheme') between Garden Polymer Private Limited ('transferor Company') and HSIL Limited ('transferee Company'). The Scheme has been approved by the Hon'ble High Court of Calcutta on 13 March 2014 and made effective upon filing of the approved scheme with the Registrar of Companies, West Bengal with an appointed date of 1 April 2012.
- Accordingly, all the properties, assets, rights, powers, liabilities and duties of the Transferor Company vested in the Transferee Company as a going concern from the appointed date and the Transferor Company stands dissolved without being wound up.
- Pursuant to the scheme coming into effect, the authorised share capital of the Transferor Company has been combined with the Company and resultantly there is an increase in authorised share capital by ₹ 225.00 lacs.
- As per the scheme of amalgamation:
 - the amalgamation of the Transferor Company were accounted for in the books of the Transferee Company by adoption of 'Purchase Method' method in accordance with the notified Accounting Standard 14 : Accounting for amalgamations.
 - with effect from the appointed date, the Transferee Company have recorded all the identifiable assets and liabilities of the Transferor Company at their respective fair values.
 - in case of any differences arising in accounting policies between the Transferor Company and Transferee Company, the impact of the same has been adjusted in the Statement of Profit and Loss of the Transferee Company.
 - the difference between the investment made by the Transferee Company in the Transferor Company and the net assets acquired of the Transferor Company has been shown under Goodwill.

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

e) The financial impact of the above amalgamation is as follows:

		(₹ in lacs)
Particulars		31 March 2014
Assets taken over:		
Fixed assets (at fair value)		3,975.84
Non-current investments		5.03
Loans and advances and other assets (current and non-current)		251.76
Inventories		809.69
Trade receivables		1,592.75
Cash and bank balances		2.33
Total		6,637.40
Liabilities taken over:		
Borrowings (long-term and short-term)	1,116.73	
Deferred tax liabilities (net)	429.23	
Trade payables, other liabilities and provisions (current and non-current)	1,120.38	2,666.34
Net assets acquired		3,971.06
Investment in the transferor Company		8,686.97
Goodwill		4,715.91

f) Adjustment on account of amalgamation is explained below:

		(₹ in lacs)
Particulars		31 March 2014
Profit of transferor company from appointed date to 31 March 2012		415.42
Tax adjustments		77.24
Other adjustments		(564.51)
		(71.85)

NOTE 44 : DETAILS OF AMOUNT DUE FROM ENTITIES PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE:

Loans and advances

				(₹ in lacs)	
Particulars	31 March 2015		31 March 2014		
	Maximum balance outstanding during the year	Closing Balance	Maximum balance outstanding during the year	Closing Balance	
Hindware Home Retail Private Limited	600.00	-	500.00	-	
Garden Polymer Private Limited (till 13 March 2014)	-	-	731.10	-	

NOTE 45 : In view of long term business relations, trade deposits from dealers are considered as long term liabilities.

NOTE 46 : Segment information, as required under AS-17 "Segment Reporting", has been provided in the consolidated financial statements of the Company and therefore, no separate disclosure on segment information is given in these standalone financial statements.

NOTE 47 : Lease payments under cancelable operating leases amounting to ₹ 737.97 lacs (previous year ₹ 711.61 lacs) for the year has been charged to the statement of profit and loss as rentals.

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to financial statements for the year ended 31 March 2015

NOTE 48 : During the year ended 31 March 2015, the Company made a Qualified Institution Placement ("QIP") and allotted 6,250,000 equity shares on 16 March 2015, of face value ₹ 2 at a premium of ₹ 398 per equity share. Pursuant to clause 49 of the Listing Agreement with the stock exchanges, the proceeds from the aforementioned QIP has been utilised for the following:

Particulars	(₹ in lacs)
Share issue expenses (on accrual basis)	521.95
Repayment of borrowings	24,478.05

NOTE 49 : In accordance with the provisions of section 135 of the Act, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Company was to spend a sum of ₹ 175 lacs towards CSR activities during the year ended 31 March 2015. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalization of such proposals in due course. During the period ended 31 March 2015, Company has contributed the following sums towards CSR initiatives.

	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	92.97	-	92.97

NOTE 50 : DETAILS OF GUARANTEE GIVEN COVERED UNDER SECTION 186 (4) OF THE ACT

The Company has given the undermentioned corporate guarantee in respect of the loans taken by the following companies for business purpose:

Particulars	Hindware Home Retails Private Limited (wholly owned subsidiary)	Barwood Products Limited UK (wholly owned subsidiary)
Guarantees given as at the beginning of the financial year	7,456.00	778.83 *
Guarantees given during the financial year	1,000.00	-
Guarantees given as at the end of the financial year	8,456.00	721.18 *

* Indian Rupee equivalent of 780,000 Great British Pounds

NOTE 51: Previous year figures have been regrouped/recast wherever considered necessary to make them comparable with those of the current year.

Notes 1 to 51 form an integral part of these financial statements

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sandip Somany
Joint Managing Director
DIN: 00053597

Rajendra K Somany
Chairman and Managing Director
DIN: 00053557

Per **Lalit Kumar**
Partner

Payal M. Puri
Company Secretary

Sandeep Sikka
Chief Financial Officer

Place : Gurgaon
Date : 18 May 2015

INDEPENDENT AUDITORS' REPORT

To the Members of
HSIL Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of HSIL Limited, (the 'Parent Company') and its subsidiaries (the Parent Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (collectively referred to as the 'Consolidated Financial Statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Parent Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Parent Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Parent Company and its subsidiary companies, which are incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; 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 financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Parent Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Parent Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Parent Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 9(a) of the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted

below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

and the financial statements / financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Companies (Auditor's Report) Order, 2015 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

11. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries, we report, to the extent applicable, that:

OTHER MATTER(S)

9 (a) We did not audit the financial statements / financial information of three subsidiaries, included in the consolidated financial statements, whose financial statements / financial information reflect total assets (after eliminating intra-group transactions) of ₹ 931.70 lacs as at 31 March 2015, total revenues (after eliminating intra-group transactions) of ₹ 1,988.42 lacs and net cash outflows amounting to ₹ 5.54 lacs for the year ended on that date. 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 statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of two subsidiaries included in the consolidated financial statements, whose financial statements / financial information reflect total assets (after eliminating intra-group transactions) of ₹ 15.17 lacs as at 31 March 2015, total revenues (after eliminating intra-group transactions) of ₹ Nil and net cash outflows amounting to ₹ 10.75 lacs for the year ended on that date. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 reports of the other auditors;

c) The consolidated financial statements 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e) On the basis of the written representations received from the directors of the Parent Company as on 31 March 2015 taken on record by the Board of Directors of the Parent Company and the reports of the other statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) as detailed in Note 34, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
- (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company. There were no amounts which were required to be transferred

to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Lalit Kumar**

Partner

Place : Gurgaon

Date : 18 May 2015

Membership No.: 095256

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

of even date to the members of HSIL Limited on the consolidated financial statements for the year ended 31 March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Parent Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in the auditor's reports of the subsidiary companies incorporated in India, we report that:

- (i) (a) One subsidiary company incorporated in India does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable to it. The Parent Company and one subsidiary company incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Parent Company and the subsidiary company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years. No material discrepancies were noticed on such verification, which in our opinion is reasonable having regard to the size of the respective companies and the nature of their assets.
- (ii) (a) One subsidiary company incorporated in India does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to it. The management of Parent Company and one subsidiary company incorporated in India has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management of the subsidiary company.

- (b) The procedures of physical verification of inventory followed by the management of the Parent Company and the subsidiary company are reasonable and adequate in relation to the size of the respective companies and the nature of their business.

- (c) The Parent Company and the subsidiary company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

- (iii) The subsidiary companies incorporated in India have not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable to them. The Parent Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Act; and with respect to the same:

- a. receipt of the principal amount and the interest is regular; and
- b. there is no overdue amount in respect of loans granted to such a company.

- (iv) Owing to the nature of its business, one of the subsidiary companies incorporated in India does not maintain any physical inventories or sells any goods or services. Further, there are no transactions pertaining to purchase of fixed assets or sale of services in respect to the aforementioned subsidiary company. Accordingly, clause 3(iv) of the Order with respect to purchase of inventories and fixed assets and sale of goods and services is not applicable to it. In our opinion, in respect to the Parent Company and another subsidiary company incorporated in India, there

is an adequate internal control system commensurate with the size of respective companies and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

- (v) The Parent Company and the subsidiary companies incorporated in India have not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to them.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of products and services of the subsidiary companies incorporated in India. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to them. We have broadly reviewed the books of account maintained by the Parent Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Parent Company's products and are of the opinion that, prima facie, the prescribed accounts and

records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) The Parent Company and the subsidiary companies incorporated in India are regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues, in one subsidiary company incorporated in India, in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in the Parent Company and another subsidiary company incorporated in India in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Description	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Parent Company	Central Excise	4.98	2.50	Financial Year (FY) 1990-91	Customs, Excise and Service tax Appellate Tribunal
The Central Excise Act, 1944	Parent Company	Central Excise	27.81	-	FY 1987-89	Commissioner of Central Excise, Rohtak
The Central Excise Act, 1944	Parent Company	Central Excise	103.98	10.74	FY 2005-06	Customs, Excise and Service tax Appellate Tribunal
The Central Excise Act, 1944	Parent Company	Central Excise	166.12	40.00	FY 2009-10	Customs, Excise and Service tax Appellate Tribunal
The Central Excise Act, 1944	Parent Company	Central Excise	53.26	3.81	FY 2005-07	Customs, Excise and Service tax Appellate Tribunal
The Central Excise Act, 1944	Parent Company	Central Excise	6.20	-	FY 2008-10	Commissioner, Mangalore
The Central Excise Act, 1944	Parent Company	Central Excise	1.19	-	September 2004 to December 2004	Commissioner, Belgaum
The Central Excise Act, 1944	Parent Company	Central Excise	2.61	-	FY 2009-10	Commissioner of Excise Appeals, Mysore
The Central Excise Act, 1944	Parent Company	Central Excise	7.98	-	FY 2004-05 To 2005-06	Assistant Commissioner of Central Excise, Navanagar
Delhi Sales Tax Act, 1975	Parent Company	Sales Tax	253.35	37.25	FY 2004-05 To 2011-12	Commissioner (Appeals), Sales-tax.
Andhra Pradesh Value Added Tax Act	Parent Company	Sales Tax	1.03	-	FY 2012-13 and 2013-14	Appellate Deputy Commissioner Rural Division, Hyderabad.

Name of the statute	Description	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Parent Company	Service tax	3.02	1.40	March 2006 to September 2006	Customs, Excise and Service tax Appellate Tribunal, Bangalore
Finance Act, 1994	Parent Company	Service tax	2.57	2.57	July 2005 to March 2006	Customs, Excise and Service tax Appellate Tribunal, Bangalore
Andhra Pradesh Value Added Tax Act	Parent Company	Sales Tax	6.94	3.19	FY 2011-12 And 2012-13	Appellate Deputy Commissioner Rural Division, Hyderabad.
Income-tax Act, 1961	Parent Company	Income-tax	3.84	-	Assessment year 2011-12	Commissioner Income Tax (Appeals), Calcutta
The Finance Act, 2004 and Service tax Rules	Subsidiary Company	Service tax	77.77	40.20	FY 2010-11 and FY 2011-12	The Hon'ble Supreme Court of India

- (c) There were no amounts in subsidiary companies incorporated in India which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (I of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable to them. The Parent Company has transferred the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (I of 1956) and rules made thereunder within the specified time.
- (viii) In our opinion, the Parent Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year. In our opinion, the accumulated losses of subsidiary company incorporated in India at the end of the financial year are less than fifty percent of its net worth and the accumulated losses of another subsidiary company incorporated in India at the end of the financial year are more than fifty percent of its net worth. One subsidiary company incorporated in India has incurred cash losses in the current and the immediately preceding financial year. Another subsidiary company incorporated in India has not incurred cash losses in the current year but had incurred cash losses in the immediately preceding financial year. Further, in our opinion, the Group has no accumulated losses on consolidated basis at the end of the financial year and the Group has not incurred cash losses on consolidated basis in the current and immediately preceding financial year.
- (ix) One subsidiary company incorporated in India has no dues payable to a financial institution or a bank or debenture-holders during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to it. The Parent Company and another subsidiary company incorporated in India has not defaulted in repayment of dues to any bank during the year. The respective companies did not have any outstanding debentures or dues to financial institution during the year.
- (x) The subsidiary companies incorporated in India have not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable to them. In our opinion, the terms and conditions on which the Parent Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Parent Company.
- (xi) One subsidiary company incorporated in India did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to it. In our opinion, the Parent Company and another subsidiary company incorporated in India has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Parent Company and the subsidiary companies incorporated in India has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Lalit Kumar**
Partner
Membership No.: 095256

Place : Gurgaon
Date : 18 May 2015

CONSOLIDATED BALANCE SHEET

as at 31 March 2015

(₹ in lacs)

	Notes	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	5	1,445.97	1,320.97
Reserves and surplus	6	1,30,862.83	1,01,508.31
		1,32,308.80	1,02,829.28
Non-current liabilities			
Long-term borrowings	7	35,854.90	55,242.09
Deferred tax liabilities (net)	8	10,449.87	11,540.40
Other long-term liabilities	9	1,798.99	1,543.77
Long-term provisions	10	526.60	466.55
		48,630.36	68,792.81
Current liabilities			
Short-term borrowings	11	21,761.29	39,663.22
Trade payables	12	14,510.14	15,024.49
Other current liabilities	13	41,945.35	38,341.64
Short-term provisions	14	3,938.78	2,764.63
		82,155.56	95,793.98
		2,63,094.72	2,67,416.07
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	15	1,55,656.31	1,48,084.45
Intangible assets	15	2,808.65	3,503.67
Capital work-in-progress		3,354.28	11,946.86
		1,61,819.24	1,63,534.98
Goodwill on consolidation	15	347.44	347.44
Non-current investments	16	1,081.89	1,081.74
Long-term loans and advances	17	3,207.39	5,473.31
Other non-current assets	18	146.93	195.76
		1,66,602.89	1,70,633.23
Current assets			
Current investments	19	4.18	4.15
Inventories	20	47,436.32	44,433.17
Trade receivables	21	41,378.23	41,916.47
Cash and bank balances	22	2,511.97	6,029.28
Short-term loans and advances	23	4,956.10	4,205.36
Other current assets	24	205.03	194.41
		96,491.83	96,782.84
		2,63,094.72	2,67,416.07

Notes 1 to 51 form an integral part of these consolidated financial statements

This is the consolidated balance sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sandip Somany
Joint Managing Director
DIN: 00053597

Rajendra K Somany
Chairman and Managing Director
DIN: 00053557

Per **Lalit Kumar**
Partner

Payal M. Puri
Company Secretary

Sandeep Sikka
Chief Financial Officer

Place : Gurgaon
Date : 18 May 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2015

(₹ in lacs)

	Notes	Year ended 31 March 2015	Year ended 31 March 2014
INCOME			
Income from operations (gross)	25	2,12,476.28	1,99,708.45
Less: Excise duty		14,413.80	13,887.77
Income from operations (net)		1,98,062.48	1,85,820.68
Other income	26	356.95	381.20
		1,98,419.43	1,86,201.88
EXPENSES			
Cost of raw materials consumed	27	35,411.41	34,011.59
Purchases of traded goods	28	39,739.34	35,340.32
Changes in inventories of finished goods, work-in-progress and traded goods	29	(1,999.48)	(4,599.60)
Employee benefits expense	30	21,594.91	18,843.82
Other expenses	31	70,064.54	76,893.42
		1,64,810.72	1,60,489.55
Profit before depreciation and amortisation, finance costs and tax expense		33,608.71	25,712.33
Depreciation and amortisation	15	12,503.02	11,011.82
Finance costs	32	7,751.53	7,177.90
Profit before tax		13,354.16	7,522.61
Tax expense			
Current tax			
- Current year		5,676.16	3,974.93
- Earlier years		-	274.88
Deferred tax		(866.48)	(125.30)
		4,809.68	4,124.51
Profit for the year		8,544.48	3,398.10
Earnings per equity share (₹)	33		
Basic and diluted earning per equity share		12.88	5.14

Notes 1 to 51 form an integral part of these consolidated financial statements

This is the consolidated statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sandip Somany
Joint Managing Director
DIN: 00053597

Rajendra K Somany
Chairman and Managing Director
DIN: 00053557

Per **Lalit Kumar**
Partner

Payal M. Puri
Company Secretary

Sandeep Sikka
Chief Financial Officer

Place : Gurgaon
Date : 18 May 2015

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2015

(₹ in lacs)

	Year ended 31 March 2015	Year ended 31 March 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,354.16	7,522.61
Adjustments for:		
Depreciation and amortisation	12,503.02	11,011.82
Gain on disposal of fixed assets	(29.15)	(19.33)
Loss on disposal of fixed assets	19.33	29.05
Finance costs	7,751.53	7,179.91
Interest income	(253.81)	(202.17)
Gain on sale of current investments	(3.60)	(25.76)
Provision for doubtful debts and advances	647.89	466.27
Provision for doubtful debts and advances written back	(120.78)	-
Unrealised gain on foreign exchange fluctuation	(61.16)	(119.88)
Bad debts written off	3.96	8.41
Sundry balances and liabilities no longer required, written back	(1,005.82)	(272.34)
Operating profit before working capital changes	32,805.57	25,578.59
Adjustments for :		
(Increase)/decrease in inventories	(3,003.16)	(3,765.28)
(Increase)/decrease in trade and other receivables	(2,843.87)	(329.02)
Increase/(decrease) in trade and other payables	3,283.06	(3,667.51)
Cash generated from operations	30,241.60	17,816.78
Direct taxes paid (net)	(3,800.00)	(1,570.00)
Net cash flow from operating activities	26,441.60	16,246.78
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of fixed assets including capital work in progress and movement in capital advances/creditors of capital goods	(9,634.30)	(19,246.28)
Proceeds from disposal of fixed assets	149.51	188.96
Purchase of investments	(3,900.03)	(10,728.11)
Proceeds from sale of investments	3,903.58	10,750.86
Movement in other bank balances	2.44	(0.10)
Interest received	240.35	174.42
Net cash used in investing activities	(9,238.45)	(18,860.25)

(₹ in lacs)

	Year ended 31 March 2015	Year ended 31 March 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	5,292.93	15,119.54
Repayment of long-term borrowings	(22,402.19)	(10,228.65)
Movement in short-term borrowings (net)	(17,905.96)	5,074.42
Proceeds from the Qualified institutional placement issue	24,478.04	-
Interest paid	(7,880.62)	(7,209.39)
Dividend paid	(1,993.36)	(1,972.99)
Taxes on dividend paid	(336.74)	(336.74)
Net cash flow from financing activities	(20,747.90)	446.19
Net (decrease) in cash and cash equivalents	(3,544.75)	(2,167.28)
Cash and cash equivalents at the beginning of the year	5,490.26	7,657.54
Cash and cash equivalents at the end of the year	1,945.51	5,490.26
Note:		
Cash and bank balances include (refer note 22):		
Cash, cheques in hand, remittances in transit and fixed deposits	1,623.29	4,550.97
Balances with banks on current accounts	322.22	939.29
Cash and cash equivalents	1,945.51	5,490.26
Held as margin money in fixed deposits	479.23	463.76
Unclaimed dividend accounts	87.23	75.26
Other bank balances	566.46	539.02
Cash and bank balances as per balance sheet	2,511.97	6,029.28

Notes 1 to 51 form an integral part of these consolidated financial statements

This is the consolidated cash flow statement referred to in our report of even date.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sandip Somany
Joint Managing Director
DIN: 00053597

Rajendra K Somany
Chairman and Managing Director
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Per **Lalit Kumar**
Partner

Payal M. Puri
Company Secretary

Sandeep Sikka
Chief Financial Officer

Place : Gurgaon
Date : 18 May 2015

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to the consolidated financial statements for the year ended 31 March 2015

NOTES 1: PRINCIPLES OF CONSOLIDATION

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement (collectively referred to as 'consolidated financial statements') include the financial statements of HSIL Limited, i.e. the Parent Company and its subsidiaries, Hindware Home Retail Private Limited, HSIL Associates Limited, Halis International Limited, Alchemy International Cooperatief U.A., Haas International B.V. and Barwood Products Limited (hereinafter referred to as 'the Group'). The consolidated financial statements of the Group have been prepared in accordance with the notified Accounting Standard AS 21 'Consolidated Financial Statements'. Also, refer note 45, which elaborates details of the amalgamation of the erstwhile subsidiary, Garden Polymers Private Limited, with the Parent Company.

The consolidated financial statements have been combined on a line by line basis by adding the book value of the like items of the assets, liabilities, income and expenses after eliminating

intra-group transactions and resulting unrealised profits/losses in full (if any). The amounts shown in respect of reserves comprise the amount of the relevant reserves as per balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries and further adjusted pursuant to note 45.

The excess/deficit of cost to the Parent Company of its investment over its portion of equity in the subsidiaries at the respective date on which the investment in such entity was made is recognised in the financial statements as goodwill/capital reserve on consolidation. The Parent Company's portion of equity in such entities is determined on the basis of book value of assets and liabilities as per financial statements of the entity as on the date of investment.

The consolidated statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

Statement of entities consolidated

Company	Date of Shareholding/ membership	Country of Incorporation	Percentage of shareholding/ membership
Hindware Home Retail Private Limited	09 September 2006	India	100%
HSIL Associates Limited	04 September 2008	India	100%
Halis International Limited	14 January 2009	Mauritius	100%
Alchemy International Cooperatief U.A. (Subsidiary of Halis International Limited)	24 April 2009	Netherlands	100%
Haas International B.V. (Subsidiary of Alchemy International Cooperatief U.A.)	08 July 2009	Netherlands	100%
Barwood Products Limited (Subsidiary of Haas International B.V.)	23 June 2010	U.K	100%

NOTES 2: BASIS OF PREPARATION

The financial statements have been prepared to comply with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis, as supplemented by revaluation of certain fixed assets. The accounting policies have been consistently applied by the Group.

NOTES 3: USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the reporting period. Although these estimates

are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Any revision to accounting estimates are recognised in the current and future periods.

NOTES 4: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i Fixed assets

Tangible

Tangible assets (other than those which have been revalued) are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price (net of cenvat credit availed) and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure on account of restoration/modification/alteration in plant and machinery/building, which increases the future benefit from the existing asset beyond its previously assessed standard of performance/estimated useful life, is capitalised.

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to the consolidated financial statements for the year ended 31 March 2015

Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under fixed assets.

Pre-operative expenditure including borrowing cost (net of revenue, where applicable) and foreign exchange differences on specific project loans incurred during the construction/trial run of the project is allocated on an appropriate basis to fixed assets upon commissioning.

Intangible

Intangible assets are recognised if and only if it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably in accordance with the notified Accounting Standard-26.

Capital work-in-progress

Capital work-in-progress includes assets under construction/installation comprising of direct cost and related incidental expenses. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

ii Depreciation and amortisation

A Tangible

- a) Depreciation on fixed assets has been provided as per guidance set out in Schedule II of the Act on straight line method using the undermentioned indicative lives -

Block of assets	Useful life as per the Act (in years)
1. Plant and machinery	7.5 - 25 years*
2. Building	10 - 60 years
3. Furniture and fixtures	10 years
4. Office equipment	5 years
5. Computer including software	3 - 6 years

* inter-alia, included in the aforementioned block of assets, are furnaces pertaining to the glass plant of the Parent Company amounting to a gross book value of ₹ 20,832.99 lacs (previous year ₹ 20,743.05 lacs) where the management has adopted a useful life different from what is prescribed under Schedule II of the Act, based on independent chartered engineer's certificate.

- b) Leasehold improvements are amortised over the lease period or estimated useful life of the leasehold improvements, whichever is lower.

- c) Vehicles are being depreciated using written down value method as per life of 8 years mentioned in Schedule II of the Act.

B Intangible

- a) Technical knowhow is being amortised over a period of ten years.
- b) Goodwill arising on merger is amortised over a period of seven years.

iii Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

iv Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are valued at the lower of cost and fair value. Long-term investments are stated at cost.

Provision is made for diminution in the value of long-term investments to recognise a decline, if any, other than temporary in nature.

Profit/loss on sale of investments are computed with reference to their cost determined on first in first out basis.

v Inventories

a) Inventories are valued as follows:

Raw materials including components, packing materials, stores and spares and goods-in-transit - At lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to the consolidated financial statements for the year ended 31 March 2015

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Work-in-progress - At cost up to estimated stage of completion.

Finished goods and traded goods - At lower of cost and net realisable value.

b) Cost of inventories is ascertained on the following basis:

Raw materials, stores and spare parts and packing materials - On weighted average basis.

Finished goods - traded - On weighted average basis

Cost of manufactured finished goods and stock in process determined on weighted average basis and comprises of material, labour, other related production overheads and non-recoverable duties.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion to make the sale.

vi Cash and cash equivalent

Cash and cash equivalent comprise of balance at bank, cash in hand and short-term deposits with maturity of three months or less.

vii Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, the revenue can be reliably measured and there is certainty of ultimate collection.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards in respect of ownership of the goods are transferred to the customer and the Group retains no effective control of the goods transferred to the buyer and is stated inclusive of excise duty and net of trade discounts, sales return and sales tax wherever applicable.

Other income

1. Interest income is recognised on a time proportion basis at the applicable rates.
2. Insurance claims are recognised on actual realization basis.

viii Export benefit/incentives

Benefit under the advance license scheme and duty free replenishment certificate are accounted for at the time of purchase of imported raw material or sale of the license.

ix Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with the notified Accounting Standard 15, 'Employee Benefits (Revised 2005) ('Revised AS 15') .

a) Provident fund

The Parent Company makes contributions to independently constituted trusts recognised by income tax authorities and regional provident fund. In terms of the Guidance note on implementing the Revised AS 15, issued by the Accounting Standard Board of the Institute of Chartered Accountants of India (the 'ICAI'), the provident fund set up by the Parent Company is treated as a defined benefit plan since the Parent Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognized as an expense in the period in which services are rendered by the employee. For other companies of the Group, provident fund benefit is a defined contribution plan where fixed contributions are made into funds established under Employees Provident Fund and Miscellaneous Provision Act, 1952.

b) Gratuity

Gratuity is a post employment defined benefit plan. The liability recognised in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience, adjustments and changes in actuarial assumptions are recorded as expense or income in the statement of profit and loss in the year in which such gains or losses arise.

c) Compensated absence

The liability in respect of compensated absences is determined on the basis of actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains or losses are recognised in the statement of profit and loss in the year they arise.

d) Other short term benefits

Expenses relating to other short term benefits is recognised on the basis of amount paid or payable for

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to the consolidated financial statements for the year ended 31 March 2015

the period during which services are rendered by the employee.

x Leases

Operating lease

Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on straight line basis over the term of the lease.

xi Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the statement of profit and loss.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are restated at the exchange rates prevailing at the balance sheet date. Differences arising on such restatement are recognised in the statement of profit and loss except to the extent permitted by the transitional provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009 in respect of long term foreign currency monetary items, in which case the cost of fixed assets are adjusted by the translation differences and amortised over the remaining useful life of the related asset.

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

Forward exchange contracts and other currency derivative contracts that are not in principle forward contracts in accordance with the notified Accounting Standard 11 'Effect of change in Foreign Exchange Rates' that are entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market at the balance sheet date and exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in the notified Accounting Standard 1- Disclosure of Accounting Policies.

xii Research and development

Research and development expenditure is charged to statement of profit and loss except capital expenditure,

which is added to the cost of respective fixed assets in the year in which it is incurred.

xiii Borrowing cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised as part of the cost of such assets, in accordance with the notified Accounting Standard 16 'Borrowing Costs'. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

xiv Taxes on income

Tax expense comprises current income-tax and deferred income-tax.

Current tax is determined as higher of the amount of tax payable in respect of taxable income for the period or tax payable on book profit computed in accordance with the provisions of section 115JB of the Income-tax Act, 1961.

Deferred income-tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset to the extent it pertains to unabsorbed business loss/depreciation is recognised only to the extent that there is virtual certainty of realisation based on convincing evidence, as evaluated on a case to case basis.

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to the consolidated financial statements for the year ended 31 March 2015

the Group will pay normal income-tax during the specified period.

xv Share issue expenses

The share issue expenses are adjusted against the balance in Securities Premium Account as permitted under Section 52 of the Act.

xvi Earnings per share

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xvii Contingent liabilities and provisions

The Group makes a provision when there is a present obligation as a result of a past event, where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Group;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

- present obligation, where a reliable estimate cannot be made

When there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xviii Segment reporting

The accounting policies adopted for segment reporting are in line with those of the Group with the following additional policies for segment reporting:

- a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- b) Revenues and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included as unallocated corporate expenses(net).
- c) Assets and liabilities, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, are shown as unallocated assets and liabilities respectively.

xix Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III of Companies Act, 2013), the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Group does not include depreciation and amortisation expense, finance costs and tax expense.

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to the consolidated financial statements for the year ended 31 March 2015

NOTE 5: SHARE CAPITAL

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Authorised				
Equity shares of ₹ 2 each	11,12,50,000	2,225.00	11,12,50,000	2,225.00
		2,225.00		2,225.00
Issued				
Equity shares of ₹ 2 each	7,23,00,220	1,446.00	6,60,50,220	1,321.00
		1,446.00		1,321.00
Subscribed and paid up				
Equity shares of ₹ 2 each fully paid up	7,22,96,395	1,445.93	6,60,46,395	1,320.93
Add : forfeited shares		0.04		0.04
	2015	1,445.97		1,320.97

(a) Reconciliation of share outstanding at the beginning and at the end of reporting year

Particulars	31 March 2015		31 March 2014	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Equity shares outstanding at the beginning	6,60,46,395	1,320.93	6,60,46,395	1,320.93
Add: Shares issued during the year (refer note 46)	62,50,000	125.00	-	-
Equity shares outstanding at the year end	7,22,96,395	1,445.93	6,60,46,395	1,320.93

(b) Terms and rights attached to equity shares:-

The Parent 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 Parent Company declares and pays dividend in Indian Rupees. During the year ended 31 March 2015, the amount of per share dividend is recognised as distribution to equity shareholder as ₹ 3.50 per share (previous year ₹ 3 per share).

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 Parent Company, the holder of equity shares will be entitled to receive remaining assets of the Parent Company, after setting off all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) List of shareholders holding more than 5% of the equity share capital of the Parent Company at:*

	31 March 2015		31 March 2014	
	Number	% of holding	Number	% of holding
Paco Exports Limited	2,06,64,530	28.58	2,06,64,530	31.29
Soma Investments Limited	40,00,000	5.53	40,00,000	6.06
New Delhi Industrial Promoters & Investors Limited	36,50,000	5.05	36,50,000	5.53

*Information is furnished as per shareholder register as at the year end.

(d) No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

(e) The above figure of subscribed and paid up capital includes application and allotment money received on forfeited shares amounting to ₹ 0.04 lacs (previous year ₹ 0.04 lacs).

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to the consolidated financial statements for the year ended 31 March 2015

NOTE 6: RESERVES AND SURPLUS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
(a) Capital reserves		
Balance as at the beginning/end of the year	120.80	120.80
(b) Capital redemption reserve		
Balance as at the beginning/end of the year	15.00	15.00
(c) Securities premium account		
Balance as at the beginning of the year	21,144.82	21,144.82
Add: Premium on allotment of shares to Qualified Institutional Buyers	24,875.00	-
Less: Share issue expenses	521.95	-
Balance as at the end of the year	45,497.87	21,144.82
(d) Central subsidy reserve*		
Balance as at the beginning/end of the year	25.00	25.00
(e) Business reconstruction reserve		
Balance as at the beginning/end of the year	32,267.37	32,267.37
(f) General reserve**		
Balance as at the beginning of the year	22,903.64	20,903.64
Add: transfer from surplus in the consolidated statement of profit and loss	2,000.00	2,000.00
Balance as at the end of the year	24,903.64	22,903.64
(g) Foreign currency translation reserve		
Balance as at the beginning of the year	15.19	28.20
Add: change during the year	(50.09)	(13.01)
Balance as at the end of the year	(34.90)	15.19
(h) Surplus in the consolidated statement of profit and loss		
Balance as at the beginning of the year	25,016.49	26,803.01
Add: net profit for the year	8,544.48	3,398.10
Less: adjustments on post acquisition profits***	-	(794.64)
Less: adjustments on account of merger (refer note 45)	-	(71.85)
Appropriations :		
Less: Depreciation adjustment****	(456.62)	-
Less: Proposed equity dividends including corporate dividend tax of ₹ 503.93 lacs (previous year ₹ 336.74 lacs)	(3,036.30)	(2,318.13)
Less: Transfer to general reserve	(2,000.00)	(2,000.00)
Balance as at the end of the year	28,068.05	25,016.49
	1,30,862.83	1,01,508.31

* Central subsidy reserve was created for subsidy received from Government of India to install diesel generator sets.

** General reserve includes ₹ 10,000 lacs transferred from Business Reconstruction Reserve which cannot be used for issue of bonus shares and payment of dividend.

*** This balance is the profit earned by Garden Polymer Private Limited ('transferor company') from date of acquisition (i.e, 11 August 2011) to 31 March 2013 and accounted as per Scheme of Amalgamation in these financial statement. Also, refer note 45.

**** Based on the transitional provisions provided in Schedule II of the Act, an amount of ₹ 456.62 lacs (net of deferred tax) has been adjusted with the opening reserves as at 1 April 2014.

SIGNIFICANT ACCOUNTING POLICIES

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NOTE 7: LONG-TERM BORROWINGS

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Secured		
Term loans from banks		
Foreign currency loans	26,228.22	42,311.48
Rupee loans	5,080.29	8,050.34
	31,308.51	50,361.82
Unsecured		
Deferred payment liabilities	4,546.39	4,880.27
	4,546.39	4,880.27
	35,854.90	55,242.09

Notes:

1. Foreign currency loans (including current maturities) comprises of:

- a) The External commercial borrowings ('ECB') of USD 16 million from Standard Chartered Bank, London, United Kingdom ('UK') carries an interest @ 6 months LIBOR plus 177 bps, is repayable in 6 yearly installments ranging from USD 0.962 million to USD 4.322 million commencing from September 2010. This ECB is secured by way of hypothecation of first pari passu charge on movable fixed assets (both present and future) pertaining to the glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana.
- b) The ECB of USD 17 million from the Hongkong and Shanghai Banking Corporation Bank Plc, London, UK, carries interest @ 6 months LIBOR plus 200 basis point ('bps'), is repayable in 30 installments ranging from USD 0.40 million to USD 1.00 million commencing from September 2011. This ECB is secured by way of hypothecation of first pari passu charge over the Parent Company's movable fixed assets, plant and machinery, machine spares, tools and accessories (both present and future) pertaining to the glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. This ECB will be repayable by March 2016.
- c) The ECB of USD 16.75 million from Citibank N.A., London, UK carries an interest @ 6 months LIBOR plus 181 bps, is repayable in 9 half yearly installments ranging from USD 1.250 million to USD 1.938 million commencing from September 2011. This ECB is secured by way of hypothecation of first pari passu charge on moveable fixed (both present and future) pertaining to the glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana.
- d) The ECB of USD 8 million from Standard Chartered Bank (Mauritius) Limited carries and interest @ 6 months LIBOR plus 225 bps, is repayable in 32 equal installments of USD 0.25 million commencing from September 2012. This ECB is secured by way of hypothecation of first pari passu charge on movable fixed assets including plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. This ECB will be repayable by July 2016.
- e) The ECB of USD 8.955 million from DBS Bank Limited, Singapore carries an interest @ 3 months LIBOR plus 200 bps, is repayable in 32 installments ranging from

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USD 0.278 million to USD 0.281 million commencing from October 2012. This is secured by first pari passu charge by way of mortgage of deposit of title deeds of immovable property situated at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana. This ECB will be repayable by August 2016.

- f) The ECB of USD 20 million from Standard Chartered Bank, London, UK carries an interest @ LIBOR plus 250 bps, is repayable in 50 installments ranging from USD 0.225 million to USD 0.90 million commencing from March 2014. This ECB is secured by way of hypothecation of first pari passu charge on movable fixed assets including plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties (both present and future) of glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. This ECB will be repayable by March 2019.
- g) The ECB of USD 25 million from DBS Bank Limited, Singapore carries an interest @ 6 months LIBOR plus 260 bps, is repayable in 50 installments ranging from USD 0.32 million to USD 0.72 million commencing from March 2014. This ECB is secured by way of first pari passu hypothecation and floating charge on movable fixed assets including plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. Further, this is secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass plants of the Parent Company situated at Sanathnagar and Bhongir in Telangana. This ECB will be repayable by January 2019.
- h) The ECB of USD 20 million from the HSBC Bank (Mauritius) Limited carries an interest @ 6 months LIBOR plus 300 bps, is repayable in 35 installments ranging from USD 0.09 million to USD 1.14 million starting from November 2014. This ECB is secured by first pari-passu charge over all present and future movable and immovable fixed assets of Sanitaryware plant situated at Bibinagar, Telangana and faucet plant situated at Kehrani, Rajasthan. This ECB will be repayable by April 2018.

2) Rupee loans (including current maturities) comprises of:

- a) Term loan of ₹ 5,000 lacs from DBS Bank Limited carries an interest @ 10.70% per annum and is repayable in 48 quarterly installments ranging from ₹ 62.50 lacs to ₹ 125.00 lacs commencing from February 2014. The loan is secured by first pari-passu charge on movable and immovable fixed assets situated at the Company's sanitaryware plant in Parnala and Bahadurgarh, District Jhajjar, Haryana.
- b) Term loan of ₹ 2,900 lacs from Bank of Bahrain & Kuwait carries an interest @ 10.80% per annum and is repayable in 12 quarterly installments ranging from ₹ 241.30 lacs to ₹ 241.70 lacs commencing from April 2015. The loan is secured by first pari passu charge on vacant freehold land and building situated at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana.
- c) Vehicle loans amounting to ₹ 888.04 lacs are secured by way of hypothecation of the asset thus purchased. The interest ranges from 9.30% to 13.60% per annum. The aforementioned loans are repayable in 36-48 equal monthly instalments and the final instalment is due for repayment in December 2017.
- d) Disclosure of loans taken by Hindware Home Retail Private Limited (one of the subsidiary of the Parent Company): Term loan I from the Central Bank of India amounting to ₹ 880 lacs carries an interest rate of base rate plus 3.5% per annum. This loan was repayable in 8 quarterly installments of ₹ 44 lacs starting from first quarter of 2011-12 and balance in 8 quarterly installments of ₹ 66 lacs starting from first quarter of 2013-14. The closing balance of the said loan is nil (previous year ₹ 141.47 lacs)

Term loan II from the Central Bank of India amounting to ₹ 1,500 lacs carries an interest rate of base rate plus 3.5% per annum. This loan is repayable in 16 quarterly installments of ₹ 93.75 lacs starting from second quarter of 2013-14. The closing balance of the said loan is ₹ 518.85 lacs (previous year ₹ 885.20 lacs)

Both the aforementioned term loans are secured by way of - Hypothecation of the fixed assets (both present and future) of Hindware Home Retail Private Limited and Corporate guarantee of HSIL Limited (Parent Company).

- 3) Deferred payment liabilities is in respect of value added tax and central sales tax liabilities pertaining to

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the years 1999-2000 to 2012-2013 and are repayable by the end of financial year 31 March 2027. The outstanding amount of deferred sales tax credit is subject to assessment by sales tax authorities.

- 4) Current maturities of long-term borrowing amounting to ₹ 20,982.77 lacs (previous year ₹ 18,392.83 lacs) are included under the head 'Other current liabilities'.

NOTR 8: DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Deferred tax liability arising on account of		
Depreciation and amortisation	14,596.51	15,435.53
	14,596.51	15,435.53
Deferred tax asset arising on account of		
Provision for doubtful debts and loans and advances	541.37	329.03
Employee benefits	220.58	210.84
Foreign exchange adjustments on external commercial borrowings	3,316.37	3,345.24
Others	68.32	10.02
	4,146.64	3,895.13
	10,449.87	11,540.40

NOTE 9: OTHER LONG TERM LIABILITIES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Trade deposits from dealers (refer note 43)	1,612.42	1,342.75
Others		
Earnest money deposits	3.96	4.56
Vehicle loan deposits from employees	127.17	120.46
Security deposits/retention money payable	50.18	70.80
Other liabilities	5.26	5.20
	1,798.99	1,543.77

NOTE 10: LONG-TERM PROVISIONS

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits		
Gratuity (refer note 38)	31.00	24.62
Compensated absences (refer note 38)	495.60	441.93
	526.60	466.55

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NOTE 11: SHORT-TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Secured		
Buyer's credit facilities	1,783.64	2,691.99
Cash credit facilities	5,743.38	19,976.81
Short term loans	-	8,000.00
	7,527.02	30,668.80
Unsecured		
Buyer's credit facilities	3,734.27	294.42
Short term loans	1,500.00	8,700.00
Commercial papers	9,000.00	-
	14,234.27	8,994.42
	21,761.29	39,663.22

Details of security and term of repayment of each type of borrowing:

Buyer's credit facilities :

Buyer's credit facilities from HDFC Bank, Citibank and Standard Chartered Bank, carrying interest ranging between 1.00% - 1.40% per annum (p.a.) is repayable within 6 months from the date of origination and is secured by hypothecation of all current assets including stocks and book debts and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

Cash credit facilities :

- a) Cash credit facilities from Central Bank of India carrying interest @ 13.25% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- b) Cash credit facilities from Canara Bank carrying interest @ 11.95% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- c) Cash credit facilities from Standard Chartered Bank carrying interest @ 12.00% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets
- d) Cash credit facilities from Citibank N.A. carrying interest @ 12.50% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- e) Cash credit facilities from DBS Bank Limited carrying interest @ 11.50% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- f) Cash credit facilities from Andhra Bank carrying interest @ 12.00% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- g) Cash credit facilities from Hongkong and Shanghai Banking Corporation Limited carrying interest @ 10.70% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on

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all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

- h) Cash credit facilities from State Bank of India carrying interest @ 11.25% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- i) Cash credit facilities from HDFC Bank Limited carrying interest @ 10.75% p.a. is repayable on demand and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- j) Packing credit in foreign currency facilities from DBS Bank and Citibank, carrying interest ranging between 1.07% - 1.41% p.a. is repayable within 6 months from the date of origination and is secured by hypothecation of all current assets including stocks and book debts, present and future, and further secured by second pari-passu charge on all the fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.
- k) Hindware Home Retail Private Limited (HHRPL) (one of the subsidiary of the Parent Company) obtained the cash credit facility from Central bank of India which carries an interest @ base rate plus 2% per annum and is repayable on demand. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets (both present and future) of HHRPL and also secured against corporate guarantee provided by HSIL Limited, the Parent Company.
- l) HHRPL obtained the cash credit facility from Standard Chartered Bank which carries an interest @ base rate plus

2% per annum and is repayable on demand. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets (both present and future) of HHRPL and also secured against corporate guarantee provided by HSIL Limited, the Parent Company.

- m) HHRPL obtained the cash credit facility from Deutsche Bank which carries an interest @ base rate plus 2% per annum and is repayable on demand and also secured against corporate guarantee provided by HSIL Limited, the Parent Company.
- n) HHRPL obtained the cash credit facility from IndusInd Bank Limited which carries an interest rate @ base rate plus 1% per annum and is repayable on demand. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets (both present and future) of HHRPL and also secured against corporate guarantee provided by HSIL Limited, the Parent Company.
- o) Barwood Products Limited (one of the subsidiary of the Parent Company) obtained overdraft facility from HSBC Bank, Plc, London carrying an interest @ 5% per annum is repayable on demand and is secured by hypothecation of stocks, book debts and fixed assets of Barwood Products Limited. Further HSIL Limited, the Parent Company, has given corporate guarantee to secure the same.

Unsecured short term borrowings

Buyer's credit facilities :

Buyer's credit facilities from IDBI Bank Ltd. carrying interest ranging between 0.72% - 1.30% p.a. is repayable within 6 months from the date of origination.

Short term loans :

Short term loan from Societe General Bank amounting to ₹ 1,500 lacs carrying interest @ 9.70% p.a. is repayable by 9 April 2015.

Commercial paper :

Commercial paper from HDFC Trustee Company Limited ₹ 9,000 lacs (previous year Nil) carrying discount rate of 9.20% p.a. is payable on 26 May 2015.

NOTE 12: TRADE PAYABLES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
- Due to Micro, Small and Medium Enterprises (refer note 36)	12.77	8.46
- Due to others	14,497.37	15,016.03
	14,510.14	15,024.49

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NOTE 13: OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Current maturities of long term borrowings (refer note 7)	20,982.77	18,392.83
Interest accrued but not due on borrowings	447.85	635.83
Unclaimed dividends*	87.23	75.26
Gratuity payable (net of obligation) (refer note 38)	30.81	8.79
Other payables		
Advance from customers	732.04	1,383.10
Statutory liabilities	1,439.16	1,261.67
Payable to employees	1,471.19	1,465.47
Creditor for expenses	4,793.91	3,655.26
Commission payable to directors	1,344.33	974.21
Creditor for capital goods	376.05	549.00
Excise duty payable on finished goods	2,966.48	2,923.99
Other liabilities	7,273.53	7,016.23
	41,945.35	38,341.64

* Not due for deposit in investor education and protection fund.

NOTE 14: SHORT-TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits		
Gratuity (refer note 38)	0.63	0.41
Compensated absences (refer note 38)	179.70	190.78
	180.33	191.19
Other provisions		
Provision for income-tax [net of advance tax of ₹ 15,916.48 lacs (previous year ₹ 11,419.53 lacs) and utilisation of minimum alternate tax credit amounting to ₹ 757.92 lacs (previous year ₹ nil)]	722.15	255.31
Proposed equity dividend	2,530.37	1,981.39
Provision for corporate dividend tax	505.93	336.74
	3,758.45	2,573.44
	3,938.78	2,764.63

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NOTE 15(A): FIXED ASSETS Tangible assets

Particulars	Freehold land	Leasehold land	Building	Plant and machinery	Vehicles	Office Equipments	Computers (including software)	Furniture and fixtures	Leasehold improvements	Total
(₹ in lacs)										
Gross block										
Balance as at 1 April 2013	48,518.48	225.00	26,455.03	1,02,412.96	2,050.90	967.85	2,720.55	3,423.71	1,223.66	1,87,998.14
Additions	1,847.48	10.00	3,690.02	2,325.86	429.80	68.61	166.15	498.17	50.18	9,086.27
Opening balance of transferor company (refer note c below)	215.23	-	264.64	(67.11)	(1.38)	(51.77)	(3.86)	(12.53)	(2.42)	340.80
Other adjustments (borrowing cost and foreign exchange fluctuation) (refer note a and b below)	-	-	601.65	3,948.60	-	-	-	-	-	4,550.25
Deletions/adjustment	-	-	19.48	13.20	300.37	61.25	17.66	95.47	10.20	517.63
Balance as at 1 April 2014	50,581.19	235.00	30,991.86	1,08,607.11	2,178.95	923.44	2,865.18	3,813.88	1,261.22	2,01,457.83
Additions	1,941.52	22.04	6,707.60	8,458.04	828.53	201.29	842.23	364.16	108.63	19,474.04
Other adjustments (borrowing cost and foreign exchange fluctuation) (refer note a and b below)	-	-	61.56	663.13	-	0.34	0.70	0.46	-	726.19
Deletions/adjustment	-	-	-	448.78	340.99	30.79	45.17	41.23	-	906.96
Balance as at 31 March 2015	52,522.71	257.04	37,761.02	1,17,279.50	2,666.49	1,094.28	3,662.94	4,137.27	1,369.85	2,20,751.10
Accumulated depreciation and amortisation										
Balance as at 1 April 2013	-	6.95	3,613.63	35,759.26	839.12	242.69	1,848.03	651.46	520.44	43,481.58
Opening balance of transferor company (refer note c below)	-	26.82	9.50	(113.18)	0.39	(2.70)	(3.12)	0.51	(29.07)	(110.86)
Additions	-	4.25	792.24	8,361.10	336.11	64.24	316.06	314.08	127.75	10,315.83
Deletions/adjustment	-	-	3.40	12.09	167.84	40.15	16.06	67.56	6.07	313.17
Balance as at 1 April 2014	-	38.02	4,411.97	43,995.09	1,007.78	264.08	2,144.91	898.49	613.05	53,373.38
Additions	-	1.26	1,190.71	9,545.00	411.10	369.62	382.68	456.12	132.21	12,488.70
Deletions/adjustment	-	-	423.30	229.26	51.33	43.56	19.84	-	-	767.29
Balance as at 31 March 2015	-	39.28	5,179.38	53,310.83	1,367.55	590.14	2,507.75	1,354.61	745.26	65,094.79
Net block										
Balance as at 31 March 2015	52,522.71	217.76	32,581.64	63,968.67	1,298.94	504.14	1,155.19	2,782.66	624.59	1,55,656.31
Balance as at 31 March 2014	50,581.19	196.98	26,579.89	64,612.02	1,171.17	659.36	720.27	2,915.39	648.17	1,48,084.45

a) The borrowing cost capitalised during the year ended 31 March 2015 is ₹ 692.33 lacs (previous year ₹ Nil).

b) Foreign exchange loss amounting to ₹ 1,197.80 lacs (previous year ₹ 4,550.25 lacs) has been capitalised during the year ended 31 March 2015.

c) As further detailed in note number 45, this includes impact of revaluation carried out as per the requirement of the Scheme of Amalgamation between HSIL Limited (Transferee Company) and Garden Polymer Private Limited (Transferor Company).

d) Effective from 1 April 2014, the Group has revised the estimates of computing the depreciation and amortisation based on the revised useful life of the assets as per the requirements of schedule II of the Act. Due to the aforementioned, the depreciation and amortisation charge for the year ended 31 March 2015 is higher by ₹ 655.74 lacs and fixed assets and profit for the year is lower by a corresponding amount.

e) Further, based on the transitional provisions provided in Schedule II of the Act, an amount of ₹ 456.62 lacs (net of deferred tax) has been adjusted with the opening reserves as at 1 April 2014.

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NOTE 15 (B): FIXED ASSETS

Intangible assets

(₹ in lacs)

Particulars	Trademarks	Technical know how	Goodwill	Total
Gross block				
Balance as at 1 April 2013	310.84	207.30	5,784.02	6,302.16
Additions	5.55		-	5.55
Adjustment due to amalgamation (refer note below)			4,715.91	4,715.91
Deletions/adjustment	5.55	-	5,436.35	5,441.90
Balance as at 1 April 2014/31 March 2015	310.84	207.30	5,063.58	5,581.72
Accumulated amortisation				
Balance as at 1 April 2013	300.00	60.81	0.23	361.04
Opening balance of transferor company (refer note below)			673.70	673.70
Additions	-	22.29	673.70	695.99
Deletions/adjustment	-	0.12	-	0.12
Balance as at 1 April 2014	300.00	82.98	1,347.63	1,730.61
Additions	-	20.73	674.29	695.02
Balance as at 31 March 2015	300.00	103.71	2,021.92	2,425.63
Net block				
Balance as at 31 March 2015	10.84	103.59	3,041.66	3,156.09
Balance as at 31 March 2014	10.84	124.32	3,715.95	3,851.11

Note:

As further detailed in note 45, this includes impact of revaluation carried out as per the requirement of the Scheme of Amalgamation between HSIL Limited (Transferee Company) and Garden Polymer Private Limited (Transferor Company).

NOTE 16: NON-CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Trade investments (valued at cost unless stated otherwise)		
Equity shares (unquoted)		
804,000 (previous year 804,000) equity shares of ₹ 10 each fully paid-up in Andhra Pradesh Gas Power Corporation Limited.	1,073.61	1,073.61
60,000 (previous year 60,000) equity shares of ₹ 10 each fully paid-up in Indian Plumbing Skills Council.	6.00	6.00
	1,079.61	1,079.61
Non-trade investments (valued at cost unless stated otherwise)		
Equity shares (quoted)		
Other investments		
125 (previous year 125) equity shares of ₹ 10 each fully paid in Neycer India Limited	0.01	0.01
50 (previous year 50) equity shares of ₹ 10 each fully paid in Swastik Sanitarywares Limited	0.01	0.01
Government securities (unquoted)		
National Savings Certificates*	2.26	2.11
	2.28	2.13
	1,081.89	1,081.74
Aggregate amount of quoted investments (market value ₹ 0.02 lacs, previous year: ₹ 0.02 lacs)	0.02	0.02
Aggregate amount of unquoted investment	1,081.87	1,081.72
*Deposited with government authority	2.26	2.11

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NOTE 17: LONG-TERM LOANS AND ADVANCES (Unsecured, considered good)

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Capital advances	1,187.80	3,158.15
Security deposits, unsecured	1,716.24	1,706.62
Other loans and advances, unsecured		
Prepaid expenses	46.57	28.51
Others*	256.78	580.03
	3,207.39	5,473.31

* represents balances with excise, sales tax and other authorities

NOTE 18: OTHER NON-CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Fixed deposits with banks whose original maturity is more than twelve months*	139.05	190.72
Interest accrued but not due on deposits	7.88	5.04
	146.93	195.76

* Includes margin money deposits amounting to ₹ 139.05 lacs (previous year: ₹ 190.72 lacs) pledged against various bank guarantees/letter of credit issued by banks on behalf of the Group.

NOTE 19: CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Mutual funds (non trade, unquoted)		
(Valued at lower of cost or net realisable value)		
2,284.515 (previous year 2,424.420) units of ₹ 10 each fully paid in HDFC Prudence Fund - Growth	3.92	4.15
994.904 (previous year Nil) units of ₹ 10 each fully paid in HDFC Liquid Fund - Growth	0.26	-
	4.18	4.15
Market value of unquoted investments	8.87	4.15

NOTE 20: INVENTORIES

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
(As taken, valued and certified by the management, valued at lower of cost or net realisable value)		
Raw materials and components	3,915.59	2,762.07
Add: raw materials and components in transit	187.97	4,103.56
Work-in-progress		1,850.97
Finished goods (including traded goods)	37,892.59	36,264.59
Add: finished goods in transit	28.62	37,921.21
Stores and spares	2,199.04	2,446.22
Add: stores and spares in transit	11.54	2,210.58
Loose tools		9.99
Packing material	843.69	888.28
Oils, fuels, lubricants and others	496.32	481.46
	47,436.32	44,433.17

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NOTE 21: TRADE RECEIVABLES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
(Unsecured, unless otherwise stated)		
Debts outstanding for a period exceeding six months from the date they are due for payment:		
Considered good		
- Secured	203.60	47.66
- Unsecured	1,175.62	556.80
Considered doubtful	1,524.26	948.24
	2,903.48	1,552.70
Less: Provision for doubtful debts	1,524.26	948.24
	1,379.22	604.46
Other debts		
Considered good	39,537.34	40,811.42
Considered good, secured	461.67	500.59
	39,999.01	41,312.01
	41,378.23	41,916.47

NOTE 22: CASH AND BANK BALANCES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
Cash and cash equivalents		
Balances with banks		
- on current accounts	322.22	939.29
Cheques in hand	781.87	766.03
Cash in hand	155.58	159.65
Remittance in transit	373.39	525.29
Credit card balances	12.45	-
Fixed deposits with original maturity of less than three months	300.00	3,100.00
	1,945.51	5,490.26
Earmarked balances with banks		
Unpaid dividends accounts	87.23	75.26
Other bank balances		
Held as margin money in fixed deposits	464.72	453.05
Fixed deposits with original maturity of more than three months but less than twelve months	14.51	10.71
	2,511.97	6,029.28

NOTE 23: SHORT-TERM LOANS AND ADVANCES

Particulars	(₹ in lacs)	
	As at 31 March 2015	As at 31 March 2014
(Unsecured, considered good)		
Advances to suppliers	1,618.82	1,329.16
Advances recoverable in cash or in kind or for value to be received	1,031.42	644.77
Balances with excise, sales tax and other authorities	2,284.05	1,473.51
Advance to employees	21.81	-
Minimum Alternate Tax credit entitlement	-	757.92
	4,956.10	4,205.36
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	68.48	51.97
Less : Provision for doubtful loans and advances	68.48	51.97
	-	-
	4,956.10	4,205.36

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NOTE 24: OTHER CURRENT ASSETS

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Interest accrued but not due on deposits	205.03	194.41
	205.03	194.41

NOTE 25: INCOME FROM OPERATIONS (GROSS)

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Sales of products		
Finished goods	2,08,141.80	1,96,064.08
Sale of services		
Service charges	0.23	0.23
Designing charges	3.17	82.98
Installation charges	477.96	529.85
Other operating income		
Export incentives	-	333.89
Sundry balances and liabilities no longer required, written back	962.78	267.34
Gain on foreign exchange fluctuations	482.93	295.03
Maintenance service income	37.13	39.39
Insurance claims received	300.36	507.15
Scrap sales	339.22	358.10
Provision for doubtful debts and advances written back	120.78	-
Miscellaneous income	1,609.92	1,230.41
	2,12,476.28	1,99,708.45

NOTE 26: OTHER INCOME

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Rent received	25.11	42.24
Interest income	253.81	202.17
Sundry balances and liabilities no longer required, written back	43.04	5.00
Gain on disposal of fixed assets	29.15	19.33
Gain on sale of current investments	3.60	25.76
Miscellaneous income	2.24	86.70
	356.95	381.20

NOTE 27: COST OF RAW MATERIALS CONSUMED

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Detail of raw materials and components consumed		
Clay	1,218.27	1,362.52
Soda ash	10,327.30	9,914.75
Cullets	6,198.40	6,872.15
Quartz/feldspar	2,087.42	1,743.34
Others	15,580.02	14,118.83
	35,411.41	34,011.59

SIGNIFICANT ACCOUNTING POLICIES

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NOTE 28: PURCHASES OF TRADED GOODS

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Furniture and home furnishings	5,957.10	5,522.05
Sanitaryware and others allied products	33,782.24	29,818.27
	39,739.34	35,340.32

NOTE 29: CHANGE IN STOCK OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Opening stock		
Work-in-progress	1,510.68	1,314.41
Finished goods	36,264.59	31,471.64
	37,775.27	32,786.05
Less: Closing stock		
Work-in-progress	1,850.97	1,510.68
Finished goods	37,921.21	36,264.59
	39,772.18	37,775.27
Change in stocks	1,996.91	4,989.22
Excise duty on opening stock	2,969.05	2,579.43
Less : Excise duty on closing goods	2,966.48	2,969.05
Change in excise duty on finished goods	(2.57)	389.62
	1,999.48	4,599.60

NOTE 30: EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Salaries, wages and bonus	19,806.23	17,154.45
Contribution to provident and other funds	1,006.88	905.03
Staff welfare expenses	781.80	784.34
	21,594.91	18,843.82

NOTE 31: OTHER EXPENSES

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Power and fuel	28,012.20	37,701.70
Consumption of stores and spare parts	4,495.23	3,809.86
Consumption of packing material	8,955.42	8,790.09
Consumption of loose tools	61.08	58.13
Consumption of oil, fuel and lubricants	311.44	321.74
Repairs and maintenance:		
Buildings	286.64	268.81
Plant and machinery	836.68	924.55
Other assets	433.34	372.44
Rent (including hire charges)	2,390.30	2,347.07
Rates and taxes	500.50	478.84
Directors sitting fees	4.10	2.48

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NOTE 31: OTHER EXPENSES (CONTD.)

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Expenditure on ceramic and applied research centre (refer note 44)	76.68	68.85
Insurance	519.75	519.43
Travelling and conveyance	2,086.53	1,931.21
Discounts	3,989.13	3,868.81
Commission on sales	478.72	892.62
Freight and forwarding charges - exports	1,460.21	676.56
Advertisement and publicity	5,112.65	4,225.20
Transportation and forwarding	2,832.27	2,370.96
Sales promotion expenses	2,465.99	1,853.36
Other selling expenses	576.88	810.34
Provision for doubtful debts and advances	647.89	466.27
Bad debts written off	3.96	8.41
Corporate social responsibility expenditure (refer note 47)	92.97	-
Charity and donation	32.63	5.54
Loss on foreign exchange fluctuation	261.42	1,146.27
Loss on disposal of fixed assets	19.33	29.05
Installation expenses	447.42	548.81
Miscellaneous expenses	2,673.18	2,396.02
	70,064.54	76,893.42

NOTE 32: FINANCE COSTS

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Interest expense	7,638.81	6,936.03
Other borrowing costs	112.72	241.87
	7,751.53	7,177.90

NOTE 33: EARNINGS PER SHARE

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
a) Computation of profit		
Profit attributable to equity shareholders (₹ in lacs)	8,544.48	3,398.10
b) Computation of weighted average number of shares for		
Basic and diluted earnings per share (weighted number of shares)	6,63,20,368	6,60,46,395
c) Nominal value per share (₹)		
Earnings per share – basic and diluted (₹)	12.88	5.14

SIGNIFICANT ACCOUNTING POLICIES

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NOTE 34: CONTINGENT LIABILITIES

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
1 Contingent liabilities not provided for in respect of:		
a) Demands raised by the excise authorities against which appeals have been filed	379.72	364.21
b) Demands raised by the income-tax authorities against which appeals have been filed	3.84	62.65
c) Demands made by the sales tax authorities against which appeals have been filed	261.32	295.85
d) Demands made by the service tax authorities against which appeals have been filed *	77.77	77.77
e) Bank guarantees outstanding	1,270.59	3,166.86
f) Claims against the group not acknowledged as debts	2,582.34	2,043.44
g) Duty availed on imports against Export Promotion Capital Goods licenses	2,666.36	2,818.42
*Out of this, ₹ 40.20 lacs has been deposited under protest with Service tax department against Supreme Court order.		
2 Unfulfilled export obligation under Export Promotion Capital Goods license of Export Import Policy	21,227.04	22,547.37

NOTE 35: CAPITAL AND OTHER COMMITMENTS

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	7,041.34	2,857.76

NOTE 36: DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT (MSMED), 2006

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Principal amount remaining unpaid	12.77	8.46
Interest accrued and remaining unpaid as at year end	-	-

The management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financials statements based on information received and available with the Group. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006 and there are no payments made to micro and small suppliers beyond the appointed day during the year ended 31 March 2015 and 31 March 2014.

NOTE 37: PAYMENT TO STATUTORY AUDITORS*

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
As auditors	28.20	23.50
Other services	39.40	7.00
For reimbursement of expenses	4.63	6.04
	72.23	36.54

* excluding service tax

SIGNIFICANT ACCOUNTING POLICIES

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NOTE 38: EMPLOYEE BENEFITS

During the year the Group has recognized the following amounts in the consolidated statement of profit and loss.

a) Provident and other fund:*

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Employer's contribution to provident fund **	672.01	568.56
Employer's contribution to Employee's State Insurance	154.66	137.05

* Included in contribution to provident and other funds (refer note 30)

** in terms of the guidance on implementing the revised AS 15, the provident fund set up by the Parent Company is treated as a defined benefit plan since the Parent Company has to meet the interest shortfall, if any. However, as at the year-end the Parent Company is having no interest shortfall, which is unprovided.

b) Defined benefit plan - gratuity (funded)

Particulars	(₹ in lacs)	
	Year ended 31 March 2015	Year ended 31 March 2014
Amount recognised in consolidated balance sheet		
Present value of obligation	1,626.65	1,385.25
Fair value of plan assets	1,564.22	1,347.43
Net liability recognised in the consolidated balance sheet	62.43	37.82
Amount recognised in the consolidated statement of profit and loss:		
Current service cost	178.15	139.28
Interest cost	101.00	109.07
Expected return on plan assets	(107.74)	(110.84)
Actuarial loss	76.77	5.56
Total included in employee benefits expenses*	248.18	143.07
*refer note 30		
Return on plan assets:		
Expected return on plan assets	107.74	110.84
Actuarial loss	129.50	0.73
Actual return on plan assets	237.24	111.57
Reconciliation of opening and closing balances of benefit obligations and plan assets		
Change in defined benefit obligation		
Defined benefit obligation at the beginning of the year	1,385.25	1,354.18
Acquisition adjustments*	-	15.75
Interest cost	101.00	109.07
Current service cost	178.15	139.28
Benefits paid	(244.02)	(239.31)
Actuarial loss	206.27	6.28
Defined benefit obligation at the end of the year	1,626.65	1,385.25
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,347.43	1,255.11
Acquisition adjustments*	-	12.25
Expected return on plan assets	107.74	110.84
Employer's contributions	218.79	201.85
Benefits paid	(239.24)	(233.35)
Actuarial loss	129.50	0.73
Fair value of plan assets at the end of the year	1,564.22	1,347.43

* transfer of balances (as per actuarial valuation report) on account of merger of Garden Polymer Private Limited ('transferor company') with HSIL Limited ('transferee company').

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Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Assumptions used to determine the defined benefit obligations:		
Discount rate	8.0%	8.5% - 8.75%
Expected rate of increase in compensation levels	5.5% - 6.25%	6.0% - 6.25%
Expected rate of return on plan assets	8.0%	8.75%
Expected average remaining working life of employees	17 - 27.05 years	18 - 27.88 years
Demographic assumptions		
Mortality table	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Superannuation age	58 years	58 years
Early retirement and disablement	10 Per thousand per annum	
- above age 45	6	6
- between 29 and 45	3	3
- below age 29	1	1

(₹ in lacs)

Amounts for the current and previous years are as follows:	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit plan – gratuity					
Defined benefit obligation	(1,626.65)	(1,385.25)	(1,369.93)	(1,243.09)	(1,108.14)
Plan assets	1,564.22	1,347.43	1,267.36	1,133.30	1,114.44
(Deficit)/surplus	(62.43)	(37.82)	(102.57)	(109.79)	6.30

The Parent Company made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The Parent Company was not informed by BSL of the investment made or the break down of plan assets by investment type, accordingly related disclosures are not included in these consolidated financial statements.

c) Defined benefit plan - compensated absences (unfunded)

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Amounts recognized in consolidated balance sheet		
Long-term (refer note 10)	495.60	441.93
Short-term (refer note 14)	179.70	190.78
Amounts recognized in the consolidated statement of profit and loss		
Current service cost	97.53	86.47
Interest cost	53.78	47.90
Actuarial loss	81.85	122.16
Total included in employee benefits expense*	233.16	256.53
*refer note 30		
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	632.71	598.66
Interest cost	53.78	47.90
Current service cost	97.53	86.47
Benefits paid	(190.57)	(222.48)
Actuarial loss	81.85	122.16
Defined benefit obligation at the end of the year	675.30	632.71
Assumptions used to determine the defined benefit obligation		
Discounting rate	8.0%	8.5%
Expected rate of increase in compensation levels	5.5%	6.0%
Expected average remaining working life of employees	21.90 - 27.05 years	21.86 - 27.88 years

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NOTE 39: UN-HEDGED/HEDGED POSITION

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below as on each balance sheet date:

Included in	31 March 2015		31 March 2014	
	Amount in foreign currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade receivables				
United States Dollar ('USD')	7.41	463.94	10.27	617.33
Loans and advances				
USD	0.11	7.10	0.10	5.82
Trade payables				
USD	1.95	122.00	12.15	729.99
Euro	2.39	161.19	0.97	80.11
Great Britain Pound ('GBP')	0.27	24.82	0.01	1.43
Short-term borrowings				
USD	85.09	5,326.12	48.35	2,905.90
Euro	2.84	191.79	0.98	80.51
Long-term borrowings				
USD	434.03	27,166.26	546.42	32,839.49

	31 March 2015	31 March 2014
Currency rate		
USD	62.5908	60.0998
Euro	67.5104	82.5765
GBP	92.4591	99.8498

Details of derivative instruments outstanding as on 31 March 2015

Particulars of hedged derivatives	31 March 2015		31 March 2014	
				Purpose
Derivative contracts	269.99		410.89	Hedge against external commercial borrowings.

NOTE 40: 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 two primary business segments i.e. building products and packaging products.

The activities of the group are primarily limited within Indian territories having no variation in risk and returns. Consequently, information in respect of geographical segment is not given.

Unallocated items:

The corporate and other segment includes general corporate income and expense items, which are not allocated to any business segment.

Information about primary business segments is given as follows:
(Figures in parenthesis are for the previous year)

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NOTE 40: SEGMENT REPORTING (CONTD.)

(₹ in lacs)

Particulars	Building products division	Packaging product division	Others	Year ended 31 March 2015
Segment revenue				
External sales (net)	91,378.58 (86,334.61)	90,565.26 (85,191.38)	12,265.51 (11,263.38)	1,94,209.35 (1,82,789.37)
Other income	2,172.72 (1,767.01)	1,437.48 (1,197.61)	242.93 (66.69)	3,853.13 (3,031.31)
Segment results	17,788.71 (18,280.03)	8,392.51 (991.06)	(1,409.78) (-1,786.01)	24,771.44 (17,485.08)
Unallocated corporate expenses (net)				3,665.75 (2,784.57)
Interest				7,751.53 (7,177.90)
Income tax (including deferred tax)				4,809.68 (4,124.51)
Profit after tax				8,544.48 (3,398.10)
Other information				
Segment assets	1,11,994.90 (1,02,900.10)	1,37,600.65 (1,48,622.29)	(4,333.38) (-2,255.02)	2,45,262.17 (2,49,267.37)
Unallocated corporate assets				17,832.55 (18,148.70)
Total assets				2,63,094.72 (2,67,416.07)
Segment liabilities	41,471.22 (40,022.00)	96,227.47 (1,08,604.40)	6,170.62 (6,255.96)	1,43,869.31 (1,54,882.36)
Unallocated corporate liabilities				(13,083.39) (9,704.33)
Total liability				1,30,785.92 (1,64,586.69)
Capital expenditure	15,382.16 (5,249.27)	3,694.44 (7,501.44)	1,123.63 (891.36)	20,200.23 (13,642.07)
Depreciation and amortisation	2,493.36 (1,421.73)	9,595.73 (8,793.71)	1,094.63 (796.38)	13,183.72 (11,011.82)
Other non-cash expenses				
Provision for doubtful debts and advances				647.89 (466.27)

NOTE 41: In accordance with the notified Accounting Standard (AS-18) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

a) List of related parties

Relationship	Name of related party
Key Management Personnel (KMP)	Rajendra K Somany Sandip Somany Sumita Somany
Entities where significant influence is exercised by KPM and/or their relatives having transactions with the Group.	Textool Mercantile Private Limited Paco Export Limited New Delhi Industrial Promoters and Investors Limited Soma Investments Limited

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b) Summary of related party transactions

(₹ in lacs)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the group	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
A Transactions during the year				
a) Rent paid				
Rajendra K Somany	4.80	4.80	-	-
Textool Mercantile Private Limited	-	-	1.46	0.73
Paco Export Limited	-	-	19.87	18.48
b) Rent income				
Soma Investments Limited	-	-	0.01	0.01
New Delhi Industrial Promoters and Investors Limited	-	-	0.01	0.01
Paco Exports Limited	-	-	0.01	0.01
c) Director's remuneration				
Rajendra K Somany	800.42	573.49	-	-
Sandip Somany	800.42	573.49	-	-
Sumita Somany	65.68	40.39	-	-
B Balance outstanding at the year end				
a) Remuneration payable				
Rajendra K Somany	545.41	390.76	-	-
Sandip Somany	638.83	437.75	-	-
Sumita Somany	19.63	-	-	-

NOTE 42: LEASES

Lease payments under cancelable operating leases amounting to ₹ 2,046.12 lacs (previous year ₹ 2,347.07 lacs) (excluding maintenance charges of ₹ 195.31 lacs (previous year ₹ 198.97 lacs) for the year, has been charged to the consolidated statement of profit and loss.

NOTE 43: In view of long term business relations, trade deposits from dealers are considered as long term liabilities.

NOTE 44: EXPENDITURE ON CERAMIC AND APPLIED RESEARCH CENTRE

(₹ in lacs)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Salaries, wages and bonus	58.12	50.95
Contribution to provident and other funds	2.52	2.18
Others	16.04	15.72
Total	76.68	68.85

NOTE 45: SCHEME OF AMALGAMATION

- The Board of Directors of the Parent Company on 25 September 2012 approved the Scheme of Amalgamation (the 'Scheme') between Garden Polymer Private Limited ('transferor Company') and HSIL Limited ('transferee Company'). The Scheme has been approved by the Hon'ble High Court of Calcutta on 13 March 2014 and made effective upon filing of the approved scheme with the Registrar of Companies, West Bengal with an appointed date of 1 April 2012.
- Accordingly, all the properties, assets, rights, powers, liabilities and duties of the Transferor Company vested in the Transferee Company as a going concern from the appointed date and the Transferor Company stands dissolved without being wound up.
- Pursuant to the scheme coming into effect, the authorised share capital of the Transferor Company has been combined with the Transferee Company and resultantly there is an increase in authorised share capital by ₹ 225.00 lacs.
- As per the scheme of amalgamation:
 - the amalgamation of the Transferor Company were accounted for in the books of the Transferee Company by adoption of 'Purchase Method' method in accordance with the notified Accounting Standard 14 : Accounting for amalgamations.

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- ▶ with effect from the appointed date, the Transferee Company have recorded all the identifiable assets and liabilities of the Transferor Company at their respective fair values.
- ▶ in case of any differences arising in accounting policies between the Transferor Company and Transferee Company, the impact of the same has been adjusted in the Statement of Profit and Loss of the Transferee Company.
- ▶ the difference between the investment made by the Transferee Company in the Transferor Company and the net assets acquired of the Transferor Company has been shown under Goodwill.

e) The financial impact of the above amalgamation is as follows:

(₹ in lacs)	
Particulars	31 March 2014
Assets taken over:	
Fixed assets (at fair value)	3,975.84
Non-current investments	5.03
Loans and advances and other assets (current and non-current)	251.76
Inventories	809.69
Trade receivables	1,592.75
Cash and bank balances	2.33
Total	6,637.40
Liabilities taken over:	
Borrowings (long-term and short-term)	1,116.73
Deferred tax liabilities (net)	429.23
Trade payables, other liabilities and provisions (current and non-current)	1,120.38
Net assets acquired	3,971.06
Investment in the transferor Company	8,686.97
Goodwill	4,715.91

f) Adjustment on account of amalgamation is explained below:

(₹ in lacs)	
Particulars	31 March 2014
Profit of transferor company from appointed date to 31 March 2013	415.42
Tax adjustments	77.24
Other adjustments	(564.51)
	(71.85)

NOTE 46: During the year ended 31 March 2015, the Parent Company made a Qualified Institution Placement ('QIP') and allotted 6,250,000 equity shares on 16 March 2015, of face value ₹ 2 at a premium of ₹ 398 per equity share. Pursuant to clause 49 of the Listing Agreement with the stock exchanges, the proceeds from the aforementioned QIP has been utilised for the following:

(₹ in lacs)	
Particulars	
Share issue expenses (on accrual basis)	521.95
Repayment of borrowings	24,478.05

NOTE 47: In accordance with the provisions of section 135 of the Act, the Board of Directors of the Parent Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms, with the provisions of the said Act, the Parent Company was to spend a sum of ₹ 175 lacs towards CSR activities during the year ended 31 March 2015. The CSR Committee has been examining and evaluating suitable proposals for deployment of funds towards CSR initiatives, however, the committee expects finalization of such proposals in due course. During the period ended 31 March 2015, Parent Company has contributed the following sums towards CSR initiatives.

(₹ in lacs)			
	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	92.97	-	92.97

SIGNIFICANT ACCOUNTING POLICIES

and other explanatory information to the consolidated financial statements for the year ended 31 March 2015

NOTE 48: Hindware Home Retail Private Limited (HHRPL) (one of the subsidiary companies of Parent Company) has incurred a loss of ₹ 1,743.47 lacs (previous year ₹2,024.33 lacs) during the year and has accumulated losses of ₹ 10,243.63 lacs (previous year ₹ 8,478.69 lacs) as at 31 March 2015, resulting in accumulated losses being more than 50% of its net worth as at 31 March 2015. The management of HHRPL is continuously implementing plans and policies to improve its operation and strengthen the financial position of HHRPL. The management of HHRPL is certain to achieve operational break even in the near future and to generate profits in due course. In view of the future business outlook and continuous financial support provided by HSIL Limited, the Parent Company, management of HHRPL is of the opinion that it is appropriate to prepare accounts on a going concern basis. Accordingly, the financial statements of HHRPL are prepared on a going concern basis.

NOTE 49: DEFERRED TAX ASSETS

In accordance with the notified Accounting Standard 22, "Accounting of Taxes on Income", deferred tax assets on carried forward losses, unabsorbed depreciation and other timing differences of HHRPL have not been accounted in the books, since it is not virtually certain whether in future there will be sufficient taxable income of HHRPL against which such deferred tax assets can be utilised.

(₹ in lacs)

Particulars	As at 31 March 2015	As at 31 March 2014
Deferred tax asset arising in HHRPL on account of		
Employee benefits	18.80	14.98
Depreciation and amortisation	74.40	(3.13)
	93.20	11.85

NOTE 50: Additional information to consolidated financial statements as at 31 March 2015 (Pursuant to Schedule III to the Companies Act, 2013):

(₹ in lacs)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss
Parent Company				
HSIL Limited	1,28,866.87	97.40	10,414.98	121.89
Subsidiaries				
Hindware Home Retail Private Limited	1,400.40	1.06	(1,743.47)	(20.40)
HSIL Associates Limited	4.16	*	*	*
Halis International Limited	1.46	*	(7.00)	(0.08)
Alchemy International Cooperatief U.A.	(1.66)	*	(5.12)	(0.06)
Haas International B.V.	1,294.06	0.98	29.83	0.35
Barwood Products Limited	396.07	0.30	(144.72)	(1.69)
Add: Goodwill	347.44	0.26	-	-
Total	1,32,308.80	100.00	8,544.48	100.00

* rounded off to nil

NOTE 51: Previous year figures have been regrouped/recast wherever considered necessary to make them comparable with those of the current year.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sandip Somany
Joint Managing Director
DIN: 00053597

Rajendra K Somany
Chairman and Managing Director
DIN: 00053557

Per **Lalit Kumar**
Partner

Payal M. Puri
Company Secretary

Sandeep Sikka
Chief Financial Officer

Place : Gurgaon
Date : 18 May 2015

FORM AOC-I

(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

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	Proposed dividend	% of shareholding (including stepdown subsidiary holding)
1	HSIL Associates Ltd. (Subsidiary of HSIL Ltd.)		INR	5.00	(0.84)	4.22	0.06	4.17	-	*	*	-	-	100%
2	Hindware Home Retail Pvt. Ltd. (Subsidiary of HSIL Ltd.)		INR	9,490.00	(8,143.63)	7,036.74	5,690.38	-	10,382.77	(1,743.47)	-	(1,743.47)	-	100%
3	Halis International Ltd. (Subsidiary of HSIL Ltd.)		USD 1 = INR 62.5908	1,771.59	(37.76)	1,734.77	0.94	-	-	(7.00)	-	(7.00)	-	100%
4	Alchemy International Cooperatief U.A. ** (Subsidiary of Halis International Ltd.)	Reporting period is same as holding company	EURO 1 = INR 67.5104	1,732.49	(32.42)	1,719.41	19.34	-	0.11	(5.12)	-	(5.12)	-	100%
5	Haas International B.V. (Subsidiary of Alchemy International Cooperatief U.A.)		EURO 1 = INR 67.5104	10.88	1,672.10	1,685.56	2.58	-	38.72	29.83	-	29.83	-	100%
6	Barwood Products Ltd. (Subsidiary of Haas International B.V.)		GBP 1 = INR 92.4591	624.68	(569.79)	925.08	870.18	-	2,019.88	(144.72)	-	(144.72)	-	100%

* Rounded off to nil

** Alchemy International Cooperatief U.A. is a cooperative with exclusion of liability, incorporated and existing under the law of The Netherlands. The Members of Alchemy International Cooperatief U.A. are: Halis International Limited with a membership right of 99.99% and HSIL Limited with a membership right of 0.01%.

Note 1 : Name of subsidiaries which are yet to commence operations : Nil

Note 2 : Name of subsidiaries which have been liquidated or sold during the year : Nil

(₹ in lacs)

Note 2: Name of associates or joint ventures which have been liquidated or sold during the year

Sandeep Sikka
Chief Financial Officer

Forward with foresight

NOTICE

Notice is hereby given that the 55th Annual General Meeting of the members of HSIL Limited will be held at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Wednesday, the 23 September 2015 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt:
 - a) the audited financial statement of the Company for the financial year ended 31 March 2015, the reports of the Board of Directors and Auditors thereon; and
 - b) the audited consolidated financial statement of the Company for the financial year ended 31 March 2015 and Auditors Report thereon.
2. To declare Dividend on Equity Shares for the year ended 31 March 2015.

3. To appoint a Director in place of Mrs. Sumita Somany (DIN 00133612) who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint M/s. Walker Chandiok & Co LLP Chartered Accountants (ICAI Registration No. 001076N/N500013) as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

By order of the Board
For **HSIL Limited**

Place : Gurgaon
Date : 18 May 2015

(**Payal M. Puri**)
Company Secretary

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. Proxies submitted on behalf of companies, societies etc. must be supported by appropriate resolution/ authority as applicable.
2. A person can act as proxy on behalf of members not exceeding Fifty in number and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. However, 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 proxy for any other person or shareholder.
3. A copy of the financial statements of the Company for the financial year ended 31 March 2015 together with the Auditors' and Directors' Reports thereon are enclosed. Members and Proxy-holders are requested to bring their copies of Annual Report to the meeting.
4. Members are requested to write to the Company their query(ies), if any, on the accounts and operations of the Company at least 10 days before the meeting to keep the information ready at the meeting.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 16 September 2015 to 23 September 2015 (both days inclusive). Dividend on Equity Shares, if declared at the meeting, will be paid to those shareholders whose names appear on the Company's Register of Members on 16 September 2015 and in respect of shares held in the dematerialised form, dividend will be paid to the beneficial owners as per details furnished by the Depositories for this purpose as on close of business hours of 15 September 2015. The dividend, if declared, shall be paid by 28 September 2015.
6. Members who hold shares in dematerialised form are requested to bring their Depository ID Number and Client ID Number for easy identification of attendance at the meeting.
7. Shareholders of the Company are informed that pursuant to the provisions of Section 205A(5) and 205 C of the Companies Act, 1956 (Corresponding Section 124(5) of the Companies Act, 2013, yet to be notified) the amount of dividend which remains unpaid/unclaimed for a period of 7 years is required to be transferred to the 'Investor Education & Protection Fund' (IEPF) constituted by the Central Government.

Accordingly, unpaid/unclaimed dividend upto the year 2006-07 has been transferred to IEPF.

Shareholders who have not encashed their dividend warrant(s) for the years from 2007-08 to 2013-14 are requested to make claim with the Company immediately.

Dividend declared by the Company for the financial year 2007-08, remained unpaid/unclaimed is due for transfer on or after 12 September, 2015 to IEPF.

No claim shall lie against the Fund or the Company in respect of the aforesaid amount once credited to the said Fund.

Members who have not yet encashed their dividend warrant(s) for the financial year ended 31.03.2008 onwards, are requested to claim the amount forthwith from the Company.

8. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their concerned Depository Participants (DPs).
9. Member(s) of the Company who have multiple folios in identical name(s) are requested to apply for consolidation of such folio(s) and send the relevant Share Certificates to the Company's Registrar & Transfer Agent viz. M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, Kolkata -700 001, for necessary endorsement thereon.
10. Dividend, if declared, at the Annual General Meeting will be credited to the Bank account of respective Shareholders through National Electronic Clearing Service (NECS)/ Electronic Clearing Service (ECS) where such facility is available. Members holding shares in electronic mode are therefore requested to furnish their Bank particulars in which they wish to receive dividend, through their Depository Participants (DPs). Members holding shares in physical form and desirous of availing the NECS / ECS facility, are requested to update their Bank particulars by sending it to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited, directly for instant credit of dividend and other cash entitlements.
11. Furnishing a copy of PAN Card has been made mandatory by SEBI in all the cases of transfer of shares in physical form.
12. In accordance with Section 20 of the Companies Act, 2013 and Clause 32 of the Listing Agreement, service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended 31

March 2015 has been sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a physical copy of the same. Such Annual Report alongwith Notice is also available on the Company's Website www.hindwarehomes.com and on the website of CDSL i.e. www.cdslindia.com.

In order to enable the Company to continue to send the documents in the electronic form, the members are requested to register their e-mail ID with us and those holding shares in electronic mode are requested to register/ update their e-mail ID with their Depository Participant (DP), with whom they are maintaining their demat account.

13. As required under Clause 49 of the Listing Agreement, the relevant information in respect of Director seeking re-appointment at the Annual General Meeting is provided herein below and forms a part of this Notice.
14. Please send all correspondence including requests for transfer / transmission of shares, change of address etc. to Registrar & Transfer Agent of the Company.
15. The Company has designated an exclusive email id "hsilinvestors@hindware.co.in" for redressal of shareholders' complaints / grievances. If you have any query please write to us at hsilinvestors@hindware.co.in
16. **The Company is providing facility for voting by electronic means (remote e-voting) to vote on the resolutions set out in the Notice. The facility for voting through ballot paper will also be made available at the Annual General Meeting (AGM) and the Members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM, may attend the AGM, but shall not be entitled to cast their votes again.**
17. **Voting through electronic means:**
 - i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2015, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide its members, facility to exercise their right to vote on resolutions proposed to be passed at the Meeting by electronic means. The members may cast their votes using electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

- ii) The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.
- iii) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the members/beneficial owners as on the cut-off date i.e. 16 September 2015.
- iv) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. 16 September 2015 only shall be entitled to avail the facility of remote e-voting/ballot.
- v) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 16 September 2015, may contact RTA or CDSL to obtain User ID and password to vote on the resolutions set out in the Notice through remote e-voting procedure.
- vi) Members are requested to carefully read the instructions for remote e-voting before casting their vote.
- vii) The remote e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting :

Commencement of e-voting	From 09.00 a.m. (IST) on 20 September 2015
End of e-voting	Upto 05.00 p.m. (IST) on 22 September 2015

- viii) The procedure and instructions for remote e-voting are as under:
 - (a) Shareholders should log on to the e-voting website www.evotingindia.com
 - (b) Click on "Shareholders" tab.
 - (c) Now, select the "HSIL Limited" from the drop down menu and click on "SUBMIT".
 - (d) Now Enter your User ID.
 - (i) For CDSL: 16 digits beneficiary ID,
 - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- (iii) For Physical Form : Member should enter Folio Number registered with the Company.

- (e) Next enter the Image Verification as displayed and Click on Login.
- (f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (g) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ➤ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. The sequence number is printed on the separate letter addressed to the shareholders individually, containing particulars of remote e-voting sent alongwith the 55th Annual Report of the Company. ➤ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. ➤ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

- (h) After entering these details appropriately, click on “SUBMIT” tab.
 - (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (k) Click on the EVSN for the relevant “HSIL Limited” on which you choose to vote.
 - (l) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (m) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (n) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (p) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (r) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user id who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
 - (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
 - (t) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company.
- GENERAL :**
- a. In case, Members cast their vote exercising both the options i.e. voting through Electronic means (remote e-voting) and by means of ballot paper at the Meeting, then votes casted through remote e-voting shall only be taken into consideration and treated valid whereas votes casted by means of ballot paper at the Meeting, shall be treated as invalid.

- b. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- c. The Board of Directors have appointed Mr. Pravin Kumar Drolia, Company Secretary in practice, Kolkata (FCS No. 2366, CP No. 1362) as the Scrutinizer to scrutinize remote evoting process and voting by ballot at the meeting in a fair and transparent manner.
- d. The Scrutiniser, after scrutinizing the votes cast at the meeting by ballot and through remote e-voting, will, not later than three days of conclusion of the Meeting, make
- e. a consolidated scrutinizer's report and submit the same to the Chairman or a person so authorised by him. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.hindwarehomes.com and on the website of CDSL i.e. www.cdslindia.com. The result shall simultaneously be communicated to the Stock Exchanges, where the equity shares of the Company are listed.
- e. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e 23 September 2015.

Information pursuant to clause 49 of the Listing Agreement regarding Directors seeking re-appointment

Mrs. Sumita Somany	
Age	48
Qualification	B. Com
Brief Resume and Area of Expertise	Mrs. Sumita Somany is whole time director of Hindware Home Retail Private Limited (HHRPL) which is engaged in modern retail sector with Home Interiors Specialty business. She is a professional with insight and expertise in the domain of home interiors with more than 7 years of experience and has been instrumental in expansion of the company with 18 retail outlets across India
Other Directorship	1. Soma Investment Limited 2. Paco Exports Limited
Chairman/ Member of the Committees of Boards of other companies	-
No. of share held	76,665

NOTES

NOTES



HSIL Limited

Registered Office: 2, Red Cross Place, Kolkata – 700 001.

Phone: 91-33-2248 7406/07, Fax: 91-33-2248 7045

E-mail: hsilinvestors@hindware.co.in

CIN: L51433WB1960PLC024539

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 Fifty Fifth Annual General Meeting of the Company held at Sripati Singhanian Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Wednesday, the 23 September 2015 at 11:00 a.m.

.....
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.



**HSIL Limited**

Registered Office: 2, Red Cross Place, Kolkata – 700 001.

Phone: 91-33-2248 7406/07, Fax: 91-33-2248 7045

E-mail: hsilinvestors@hindware.co.in

CIN: L51433WB1960PLC024539

**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:

- Name: Address:
E-mail Id : Signature: or failing him
- Name: Address:
E-mail Id : Signature: or failing him
- 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 55th Annual General Meeting of the Company, to be held on Wednesday, the 23 September 2015 at 11:00 a.m. at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Number of shares held	For	Against
Ordinary Business				
1.	To consider and adopt: a) the audited financial statement of the Company for the financial year ended 31 March 2015, the reports of the Board of Directors and Auditors thereon; and b) the audited consolidated financial statement of the Company for the financial year ended 31 March 2015 and Auditors Report thereon.			
2.	To declare Dividend on Equity Shares for the year ended 31 March 2015.			
3.	To appoint a Director in place of Mrs. Sumita Somany (DIN 00133612) who retires by rotation and, being eligible, offers herself for re-appointment.			
4.	To appoint M/s. Walker Chandiok & Co LLP Chartered Accountants (ICAI Registration No.001076N/N500013) as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.			

Signed this day of 2015

Signature of shareholder

Signature of Proxy holder (s):

Affix
Revenue
Stamp ₹ 1/-

Note:

- The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
- In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

CORPORATE INFORMATION

Board of Directors

Mr. Rajendra K Somany,
Chairman and Managing Director

Mr. Sandip Somany,
Joint Managing Director

Mr. Ashok Jaipuria

Mr. G. L. Sultania

Mr. N. G. Khaitan

Mr. V. K. Bhandari

Dr. Rainer Siegfried Simon

Mr. Salil Kumar Bhandari

Mrs. Sumita Somany

Company Secretary

Ms. Payal M. Puri

Statutory Auditors

M/s Walker Chandio & Co., LLP
Chartered Accountants

Internal Auditors

M/s DH Consultants Pvt. Ltd

Registered Office

2, Red Cross Place, Kolkata - 700 001
Tel: +91 33 22487406/07
Fax: +91 33 22487045
E-mail: hsilinvestors@hindware.co.in

Corporate Office

301-302, Park Centra, Sector 30,
National Highway 8, Gurgaon-122 001
Tel: +91 1244 779200/201
Fax: +91 1244 292898/99

Plant Locations

Building Products Division

Bahadurgarh-124 507,
Dist. Jhajjar, Haryana
Tel: +91 1276 230485/7, 2322 26/8
Fax: +91 1276 230138

Somanypuram Brahmanapally Village, Bibinagar,
Dist. Nalgonda - 508 126, Telangana
Tel: +91 8685 651 773/448

G 470-471, Phase I, RIICO Industrial Area,
Bhiwadi - 301 019, Rajasthan
Tel: +91 1432 257752

Plot No. SPI - 254, RIICO Industrial Area,
Kaharani, Bhiwadi - 301 019, Rajasthan

Packaging Products Division

AGI GLASPAC

Glass Factory Road, Off Motinagar,
P.B. No. 1930, Sanathnagar P.O.,
Hyderabad - 500 018, Telangana
Tel: +91 4023 831771
Fax: +91 4023 831787

Glass Factory Road, Bhongir - 508 116,
Nalgonda District, Telangana
Tel: +91 8685 246600

GARDEN POLYMERS

Garden Polymers, KIADB Industrial Area,
Lakamanhalli, Dharwad - 580 004, Karnataka,
India. Tel: 0836-2461390

Garden Polymers,
Khasra No. 122, Pachwadoon, Mauja Central
Hope Town, Pargana (Selaqui)
Dehradun - 248 197,
Uttarakhand, India,
Tel: 0135-2699150

Bankers

Andhra Bank

Bank of Bahrain and Kuwait B.S.C.

Canara Bank

Central Bank of India

Citibank N.A.

DBS Bank Ltd.

Deutsche Bank AG

HDFC Bank Ltd.

Societe Generale

Standard Chartered Bank

State Bank of India

The Bank of Nova Scotia

The Hongkong and Shanghai Banking
Corporation Limited

Regional Offices

Ahmedabad

Tel: +91 79 40028980
E-Mail: ahmedabad.depot@hindware.co.in

Bengaluru

Tel: +91 80 23361133
E-Mail: bangalore@hindware.co.in

Bhubaneswar

Tel: +91 674 2580337
E-Mail: bbsrdepot@hindware.co.in

Chandigarh

Tel: +91 172 2659462
E-Mail: chandigarh.depot@hindware.co.in

Chennai

Tel: +91 44 24764315
E-Mail: chennai.depot@hindware.co.in

Ernakulam

Tel: +91 484 2426587
E-Mail: kochidepot@hindware.co.in

Ghaziabad

Tel: +91 120 3203226
E-Mail: ghaziabad.depot@hindware.co.in

Guwahati

Tel: +91 9613872508/9854072516
E-Mail: guwahati.depot@hindware.co.in

Indore

Tel: +91 731 4086886
E-Mail: indore.depot@hindware.co.in

Jaipur

Tel: +91 141 4036002
E-Mail: jaipur.depot@hindware.co.in

Lucknow

Tel: +91 522 4024383
E-Mail: lucknow.depot@hindware.co.in

Mumbai

Tel: +91 22 43420600/0619
E-Mail: mumbai@hindware.co.in

Pune

Tel: +91 20 24269582
E-Mail: pune@hindware.co.in

Ranchi

Tel: +91 651 6571276
E-Mail: ranchi.depot@hindware.co.in

Secunderabad

Tel: +91 4066288000/09
E-Mail: marketing.hyd@hindware.co.in

Vijayawada

Tel: +91 866 2417374
E-Mail: vjadepot.raasi@hindware.co.in

Vizag

Tel: +91 891 2507070
E-Mail: vizagdepot@hindware.co.in

EVOK Stores

Delhi: Kirtinagar; GK-II Market

Haryana: Crown Interiorz Mall, Faridabad; JMD
Mall, Gurgaon

Uttar Pradesh: Shipra Mall, Ghaziabad; Shalimar
Building, Hazratganj, Lucknow

Punjab: Paras Down Town Square, Zirakpur;
Chandigarh; Ferozpur Road, Ludhiana

Maharashtra: Hypercity, Near Inorbit Mall, Malad

Telangana: Jubilee Hills, Hyderabad

Karnataka: Bellandur; J P Nagar; Kalyan Nagar,
Bengaluru

Rajasthan: Tonk Road, Jaipur

Kerala: Near Holiday Inn Hotel, Kochi

Madhya Pradesh: Malhar Mega Mall, Indore

Gujarat: Zodiac Square, S.G. Highway, Bodakdev,
Ahmedabad



Registered Office

2, Red Cross Place, Kolkata - 700 001

Tel: +91 33 22487406/07 Fax: +91 33 22487045

E-mail: hsilinvestors@hindware.co.in

Corporate Office

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