hindware

NEAPS/BSE ONLINE

10th September, 2018

The Corporate Relationship Dept.,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
1st Floor, New Trading Ring
Rotunda, Dalal Street,
Mumbai - 400 001

The Secretary,
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G-Block
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400 051

Dear Sirs,

Sub: Annual Report of the Company along with Notice of 58th Annual General Meeting

We are submitting herewith the Annual Report of the Company along with Notice of 58th Annual General Meeting.

Please take the above on your record.

Kindly acknowledge the receipt.

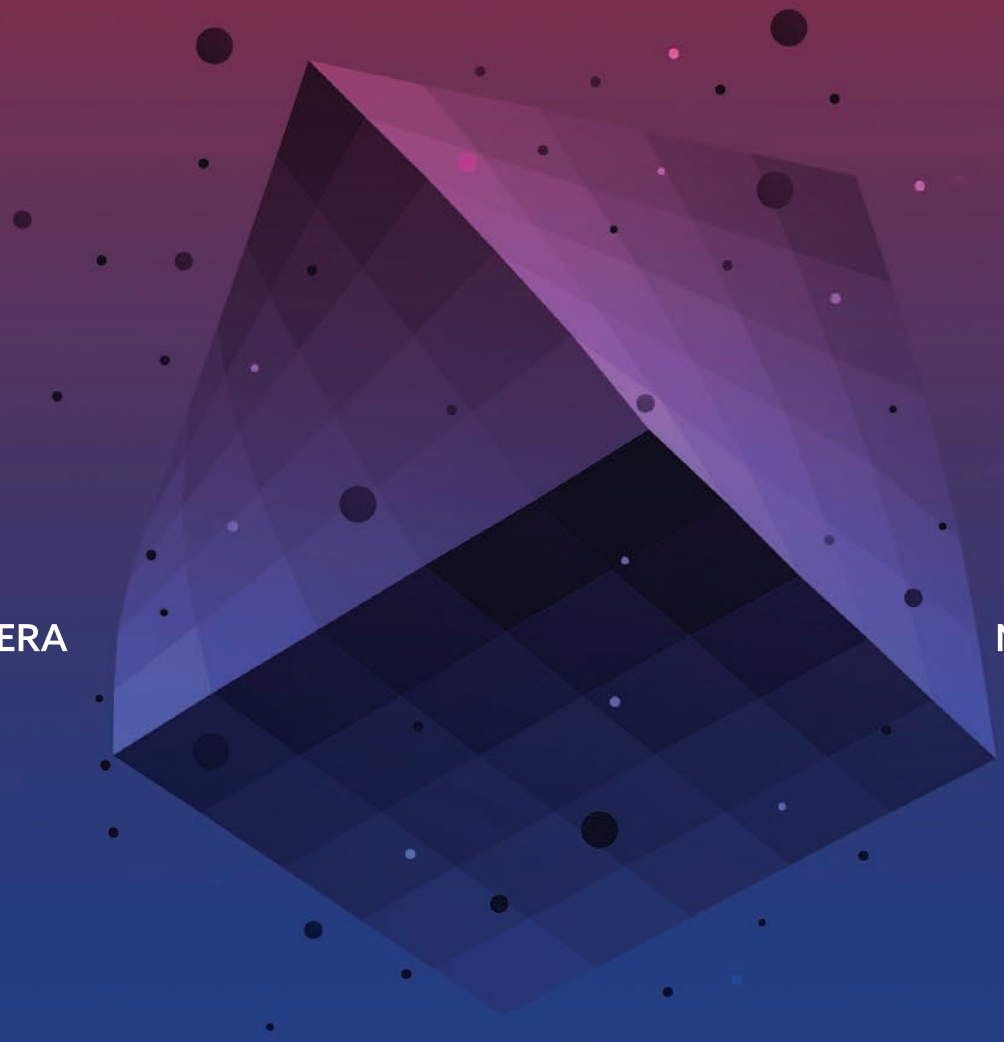
For **HSIL Limited**

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

Enclosure as above

HSIL

Reshaping Our Business



NEW ERA

NEW ENERGY

NEW ENDEAVOURS

2017
2018 Annual Report

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hindwarehomes.com
Annual Report 2017-18
View this annual report on our website.

The world is changing radically and at an unimaginable pace.

As a future-focused company, we are prepared to respond to the socio-economic transformation that is reshaping the lives of people in myriad and interesting ways.

Doing business in one of the most competitive and fastest-growing global economies is an exciting reality for us.

India's wide-ranging economic reforms, rapid urbanisation, infrastructure development and a growing aspirational population with a passion for premium brands that define an elevated quality of life, inspire us to think afresh, and reimagine our future roadmap.

The Annual Report demonstrates our key initiatives to unlock exceptional value for all stakeholders in a bigger, better and bolder playground.



OUR INSPIRING LEGACY, INHERENT STRENGTH AND PASSION TO PERFORM PREPARE US FOR THE



NEW GROWTH ERA.

Corporate Identity

Growing Through Innovation and Expertise

WE DESIGN PRODUCTS THAT ENRICH THE QUALITY OF CONSUMERS' LIVES. OUR CORPORATE PHILOSOPHY IS TO THINK BEYOND CONVENTIONS, EMBRACE REFRESHING IDEAS AND SET NEW TRENDS FOR THE INDUSTRY. OUR OPERATIONS ARE LEAN AND AGILE, OUR TECHNOLOGIES AHEAD OF THE CURVE AND OUR STRATEGIES CUSTOMER-CENTRIC.

ABOUT HSIL LIMITED (HSIL)

The Company was incorporated in 1960 as Hindusthan Twyfords Limited, with a technological collaboration with Twyfords, UK, to introduce vitreous china sanitaryware in India. The Company was subsequently renamed Hindustan Sanitaryware & Industries Limited in 1969 and HSIL Limited in 2009. We became the first sanitaryware company to be featured in the 2014 'Fortune India 500' list and continue to be a part of the list in 2017. Currently, HSIL has four distinct business segments, namely the Building Products Division (BPD), Consumer Products Division (CPD), Retail Division and Packaging Products Division (PPD).

Over the decades, our flagship brand *'Hindware'* has emerged as a leading Indian sanitaryware and faucet brand driven by consistent innovation. In FY 2015-16, we decided to expand our business into the synergic domain of plastic pipes and fittings under the brand name *'TRUFLO by hindware'* in agreement with ~USD 10 billion Japanese conglomerate Sekisui Chemical Co. Ltd, enabling us to provide end-to-end bathroom solutions to our customers.

Leveraging the Company's brand equity and vast distribution network, we diversified into the Consumer Products space by introducing kitchen appliances under the brand *'hindware Kitchen Ensemble'*. We expanded our product portfolio by launching water heaters, in collaboration with Euro 1.6 billion Groupe Atlantic of France, the global leader in heating solutions. With both these categories performing exceptionally well, we forayed into purification products under the brand *'Moonbow by hindware'* to offer air and water purifiers and launched air coolers under the brand *'hindware Snowcrest'*.

We further expanded our offerings to include home furniture, soft furnishings, home decor and accessories, wall fashion, modular kitchens and modular wardrobes by launching a chain of large retail format stores under the brand '*EVOK'.*

In 1981, we entered the Packaging Products business by acquiring 'The Associated Glass Industries Limited' (AGI), manufacturer of container glass. With our acquisition of Garden Polymers Private Limited (GPPL) in 2011, we added PET bottles to our portfolio. We recognised a market for counterfeit-resistant caps and closures in developing economies like India and ventured into this business. We set up a state-of-the-art facility in Telangana, with the first phase of commercial production commencing in the last quarter of FY 2017-18.

BUSINESS DIVISIONS

BUILDING PRODUCTS

₹1,029 crore
Revenue from Operations

46%
Share in overall business

CONSUMER PRODUCTS

₹208 crore
Revenue from Operations

9%
Share in overall business

RETAIL

₹96 crore
Revenue from Operations

4%
Share in overall business

PACKAGING PRODUCTS

₹920 crore
Revenue from Operations

41%
Share in overall business

Note: Revenue from Operations is reported net of GST, Excise, Service Tax and other Indirect taxes.

FY 2017-18 AT A GLANCE

48.43%
Promoter and Promoter's Group Holding

51.57%
Public Holding

₹2,250 crore
Revenue from Operations during the year

OUR MISSION

Helping our customers adopt a comfortable, luxurious and sustainable lifestyle while fostering innovation has been our aim at HSIL.

OUR CORE PURPOSE

Passionately strive to enrich customer's quality of life, thereby enhancing stakeholder value.



PEOPLE EXCELLENCE

PERFORMANCE EXCELLENCE
- Teamwork to enable people to succeed beyond their capabilities
- Recognising and rewarding team performance
- Promoting cross-functional teams

RESPECT FOR INDIVIDUAL
- A culture of trust and openness
- Nurturing high performance in teams

CORE PURPOSE AND VALUES
- Learning for sustained competitive advantage
- Developing personally and professionally

BUSINESS EXCELLENCE

PERFORMANCE EXCELLENCE
- Passionately committed to exceed our goals
- Maintain relentless focus on business objectives
- Strive to raise the performance in the businesses

OPERATIONAL EXCELLENCE
- Strive for consistent and assured performance
- Setting benchmarks in operational processes

CUSTOMER-CENTRICITY
- Provide best-in-class experience to our customers
- Doing right for our internal and external customers

LEADERSHIP EXCELLENCE

INNOVATION
- Foster innovation in our processes and products to create and deliver value
- Creativity and informed risk-taking

AGILITY
- Embracing change and adapting rapidly
- Respond quickly and effectively in order to seize opportunities

₹282 crore
EBITDA during the year

₹2,684 crore
Market Capitalisation as per NSE

4,100+
Employee Strength

As on March 31, 2018

Chairman and Managing Director's Insight

Building on Our Legacy, Imagining Afresh



THE GOVERNMENT OF INDIA HAS ALSO UNDERTAKEN A SERIES OF REFORMS TO CATALYSE THE FORMALISATION AND DIGITISATION OF THE ECONOMY.

Dear Shareholders,

OUR COUNTRY IS POWERING AHEAD AS ONE OF THE WORLD'S FASTEST-GROWING MAJOR ECONOMIES. THIS, IN TURN, IS CREATING OPPORTUNITIES FOR EMPLOYMENT AND ENTREPRENEURSHIP FOR MILLIONS OF PEOPLE.

India is home to a predominantly young and aspirational population, whose affinity for brands is growing day by day. Two-thirds of the nation's ~1.3 billion people are below 35 years of age with growing disposable income. To offer you a perspective, that is more than twice the US population.

The Government of India has also undertaken a series of reforms to catalyse the formalisation and digitisation of the economy. From managing fiscal consolidation, rolling out the country's biggest indirect tax reform – the Goods and Services Tax (GST), improving the 'ease of doing business' to introducing the Real Estate (Regulation and Development) Act, the Government of India is energising the economy and ushering in transparency across sectors.

In this environment, our values of innovation, creativity, excellence and customer-centricity are really coming into their own. At HSIL, we are reimagining our businesses to serve a new India with new energy and endeavours and to unlock exceptional value for all our stakeholders. We have made encouraging progress in aligning the diverse aspects of the operational ecosystem, including systems and processes, to increase capabilities and grow steadily.

We have come a long way by developing innovative bathroom solutions for customers and now, over the past few years, are investing

to become more agile and aligned to evolving customer requirements. We have ventured into new and synergic businesses to create diverse revenue streams. At the same time, we continue to push the innovation envelope across our businesses. During the year, we introduced new product categories with a palette of offerings that incorporate different styles, functionalities, materials and colours for customised choices. Design is highly personal, we respect and value that element in our craft.

Our robust marketing capabilities, wide distribution network, strong relationship with existing dealers and customers and our wide range of offerings across the price spectrum have enabled us to grow consistently. In a digital-first economy, we are leveraging the reach and recall of e-commerce platforms and are partnering with them to grow our online presence. Moreover, we have further fortified our relationships with customers in the packaging products industry by enhancing our capabilities to provide them with industry-leading and innovative products.

Our overarching strategy has always been to foresee opportunities and build appropriate platforms for sustainable growth, taking into consideration rapidly shifting macro realities. During the year, the Board of Directors approved the scheme of arrangement that envisages the demerger of Marketing and Distribution Undertaking of the Consumer Products Division and Retail Division to a separate entity, Somany Home Innovation Limited (SHIL), and the demerger of Marketing and Distribution Undertaking of the Building Products Division to a separate entity, Brilloca Limited, a subsidiary of SHIL.

During the year, the Company launched an innovative product range of pipes and fittings under the brand 'TRUFLO by hindware' and initiated trial production from the state-of-the-art plant in Telangana, enabling us to further broaden our offerings for the Building Products Division. The Company also commissioned Phase I of the security caps and closures plant in Telengana, strengthening the Packaging Product Division. We take immense pride in announcing that our pipes plant is first in the industry to be awarded Platinum rating by Indian Green Building Council (IGBC). Our security caps and closure plant has also been rated Platinum by IGBC. We are excited about the better value and opportunities our two new businesses will offer our customers and stakeholders. We also made key investments in growth drivers for the future and achieved yet another year of consistent shareholder returns.

We, at HSIL, are inspired by the strides we have taken as a company in sustainability and stewardship. We are steadfast in our sense of responsibility when it comes to the environment, the communities we operate in and our people. We have a passionate approach in our commitment to our communities. During the year, the Company supported various social issues such as sanitation and hygiene, skill development, healthcare, education and women empowerment, directly and in association with our partner organisations. We further instituted our CSR arm, HSIL Corporate Social Responsibility Foundation, to increase the impact and reach of our programmes. Business success for us goes hand in hand with what we can do to better our communities and the nation.

I foresee our teams performing and translating our core purpose into strategies that will help enrich the quality of life and enhance stakeholder value. We are continuously investing in training and empowerment to nurture the potential of our people so as to imbibe a passionate, go-getter attitude. I would like to thank the entire HSIL family for their hard work and dedication. Going forward, our priorities are to drive revenue growth with profitability, create innovative products and grow our brand reputation and recall.

The future will continue to present both opportunities and challenges. Our strategy will be to focus on the broad operational canvas to elevate performance and accelerate the pace of innovation to sustain our leadership. This predominant business approach will continue to lead our inspiring legacy of sustainable growth despite economic volatilities, shifting consumer aspirations and industry dynamics.

WE HAVE COME A LONG WAY BY DEVELOPING INNOVATIVE BATHROOM SOLUTIONS FOR CUSTOMERS AND NOW, OVER THE PAST FEW YEARS, ARE INVESTING TO BECOME MORE AGILE AND ALIGNED TO EVOLVING CUSTOMER REQUIREMENTS. WE HAVE VENTURED INTO NEW AND SYNERGIC BUSINESSES TO CREATE DIVERSE REVENUE STREAMS.

Our commitment is to continue building our businesses with strategic clarity and value-assertive investments in our differentiated capabilities. I am grateful to all our stakeholders for their trust, engagement and support.

Warm regards,

Dr. Rajendra Kumar Somany
Chairman and Managing Director

Vice Chairman and Managing Director's Message

Blueprint for Growth and Accelerated Value Creation

Dear Shareholders,

In a dynamic global landscape, a business cannot be mired in status quo. It constantly needs to reshape its roadmap to stay relevant and create value for all. The macro context is more interesting and I believe, we are entering a new growth era in India, an era that will demand more from businesses in terms of smarter products, faster delivery mechanisms and better ways of customer engagement.

Our performance, during the year, continued to prove the strength and resilience of our business model. This resilience is nurtured by decades-rich experience and expertise and above all, our foresight and fortitude to back up drawing-board strategies with hard-hitting action on the ground.

During FY 2017-18, we registered 9% growth in revenue from operations of ₹2,250 crore compared to ₹2,072 crore last year, despite the rub-off of economic headwinds such as demonetisation and destocking owing to GST implementation. Hon'ble Supreme Court's restrictions in FY 2016-17 on the sale of alcohol near state and national highways affected the glass container business during the first half of the financial year. Overall, during the year, we made key investments in strategic growth drivers for the future and accomplished another year of good shareholder return.

WE ARE IMPLEMENTING A BUSINESS MODEL THAT COMBINES HIGH PERFORMANCE, CONSISTENT INNOVATION AND VALUE CREATION WITH RESPONSIBILITY TOWARDS ALL STAKEHOLDERS.

DURING FY 2017-18, WE REGISTERED 9% GROWTH IN REVENUE FROM OPERATIONS OF ₹2,250 CRORE COMPARED TO ₹2,072 CRORE LAST YEAR, DESPITE THE RUB-OFF OF ECONOMIC HEADWINDS SUCH AS DEMONETISATION AND DESTOCKING OWING TO GST IMPLEMENTATION.

IN LINE WITH OUR OBJECTIVE, WE FOCUSED ON STRENGTHENING QUEO, OUR LUXURY BRAND, AND INTRODUCED ALCHYMI, A SUPER-PREMIUM BRAND CURATED BY MANISH MALHOTRA.

SCALING OUR BUILDING PRODUCTS DIVISION

Our Building Products Division's revenue grew 6% from ₹973 crore in FY 2016-17 to ₹1,029 crore in FY 2017-18. Our faucet business has grown consistently over the years to be among the top three players in India. We are investing in the future through capacity streamlining, brand segmentation and product range expansion to enable us to cater to a wider cross-section of customers. Hindware, through constant innovation and reinvention, continues to grow ahead of the market. The brand is further strengthening its presence with new business initiatives to make an impact and delight consumers with aesthetically distinctive and functionally advanced offerings. In line with our objective, we focused on strengthening QUEO, our luxury brand, and introduced ALCHYMI, a super-premium brand curated by Manish Malhotra.



We also redefined our brand identity with a new promise 'Start with the Expert' based on the findings of the study we undertook with consumers, architects and multiple leading market agencies. Today, we offer our consumers expert advice and handhold them through their journey of creating their dream bathrooms. We also launched the 'Start with the Expert' 360-degree integrated marketing campaign with our brand ambassador, Bollywood Baadshah Shah Rukh Khan, to communicate this philosophy.

As a market leader in the sanitaryware industry, it is our endeavour to meet the aspirations of people across economic strata wanting to own aesthetically branded products in their homes. We consistently invest in developing brands to meet consumer requirements. Our wide spectrum of products ensures that consumers have a wide array of options to choose from within the HSIL brand family and this is supported by our extensive 22,000 retail touchpoints across the country. We are also leaders in water conservation and have been working closely with the Government to lower the standard of water used for flushing in India.

Our new plastic pipe and fittings business will enable us to offer a cohesive integrated portfolio to our consumers. The state-of-the-art plant located in Telangana has already started trial production. We aspire to capture 10% market share of the plastic pipes business in the building and construction industry over the next five to seven years, currently pegged at approximately ₹8,500 crore. We are confident of achieving our goals, as we are working towards expanding our pipes business by leveraging our current brand strengths and our sales and distribution network.

GROWING OUR CONSUMER PRODUCTS DIVISION

India has a growing youth population and is emerging as a country of young achievers with high disposable income. Our objective is to develop products that reflect the aspirations of young India in the products and solutions that we continue to innovate and introduce in the market. Our Consumer Products Division's revenue surged by 65% to ₹208 crore in FY 2017-18 from ₹126 crore in FY 2016-17. We have expanded our offering in Consumer Products Business by adding more than 62 products across categories.

We reinforced our position as one of the top three players in the kitchen chimney segment in India. At the same time, we continued to strengthen our position in the kitchen appliances, water heater, air cooler and air and water purifier segments. A key highlight is the acceptability of our high-quality Hindware branded products by consumers in their kitchen and other areas of their homes.

We adopted a dual-marketing approach – the conventional organised retail channel in which we have gained 8,500 retail touchpoints and have a visible presence across 350 large format stores. This is complemented by our presence across leading e-commerce portals to ensure we reach our consumers across all online and offline formats.

As always, we will keep innovating to launch technologically advanced and efficient products that help us drive competitive advantage and lead the charge of the market. HSIL's strong inhouse Research and Development (R&D) team dedication has helped us file three patents for our business and this has helped in elevating industry benchmarks and staying well ahead of the competition.

OUR NEW PIPE AND FITTINGS BUSINESS WILL ENABLE US TO OFFER A COHESIVE INTEGRATED PORTFOLIO TO OUR CONSUMERS. THE STATE-OF-THE-ART PLANT LOCATED IN TELANGANA HAS ALREADY STARTED TRIAL PRODUCTION.

STRENGTHENING OUR PACKAGING PRODUCTS DIVISION

Our Packaging Products Division's revenue increased by 5% from ₹877 crore in FY 2016-17 to ₹920 crore in FY 2017-18. We undertook several debottlenecking and efficiency-enhancing initiatives to optimise our operations and launched a plethora of designs and products. With the Hon'ble Supreme Court easing the ban on vending of liquor on highways and an increased demand from end-consumers, the market is looking promising and has led to the restarting of Furnace III, with 300 TPD glass capacity, at our Hyderabad glass plant.

Our world-class quality standards and varied range of packaging products enable us to effectively address the requirements of our customers across different industries, while developing and maintaining our relationships with institutional customers.

The demand for PET products was impacted owing to uncertainty on PET packaging across several Indian states. Hence, going forward, we will utilise the capacity in manufacturing plastic products such as seat covers and cisterns, among others, for the sanitaryware division, thereby leveraging group synergies.

During FY 2017-18, we commenced the manufacturing of security caps and closures at our new state-of-the art plant at Telangana. Currently, we cater to alcoholic beverage companies in India and will start exporting to Africa, Latin America, Europe and South East Asia. This is a niche value-added business, which we believe will flourish rapidly.

LEAP FORWARD

We continue to invest in enhancing operational efficiencies, optimising operating costs and using advanced technology. We are integrating higher levels of digitisation and automation to strengthen our manufacturing processes. We are ready for an exciting future and have identified our priorities:

- Unleash stakeholders' value and enhance capabilities through demerger and create focused companies to accomplish the next growth trajectory
- Further strengthen systems, R&D, new products line-up and infrastructure to support our long-term growth
- Increase the production capacities of the newly commissioned manufacturing plants of pipes and fittings, caps and closures
- Scale and widen our distribution and retail network
- Continue to offer a diverse product portfolio, reinforce the position and further enhance the acceptability of the brands 'TRUFLO by hindware', 'Hindware Snowcrest', 'Hindware Atlantic' and 'Moonbow by Hindware

WE REINFORCED OUR POSITION AS ONE OF THE TOP THREE PLAYERS IN THE KITCHEN CHIMNEY SEGMENT IN INDIA. AT THE SAME TIME, WE CONTINUED TO STRENGTHEN OUR POSITION IN THE KITCHEN APPLIANCES, WATER HEATER, AIR COOLER AND AIR AND WATER PURIFIER SEGMENTS.

OUR WORLD-CLASS QUALITY STANDARDS AND VARIED RANGE OF PACKAGING PRODUCTS ENABLE US TO EFFECTIVELY ADDRESS THE REQUIREMENTS OF OUR CUSTOMERS ACROSS DIFFERENT INDUSTRIES, WHILE DEVELOPING AND MAINTAINING OUR RELATIONSHIPS WITH INSTITUTIONAL CUSTOMERS.

Despite market challenges, we continued to make strategic inroads in developing our businesses. We improved our business information systems, armed our sales team with technologically advanced tools and undertook multiple relevant initiatives to support growth. We have created a blueprint for the next level of growth, which will support accelerated value creation.

I count on your continued support as we move forward on our exciting journey together.

Warm regards,

Sandip Somany
Vice Chairman and Managing Director

Note: Revenue from Operations is considered net of GST, Excise, Service Tax and other indirect taxes for better comparison.

Scale and Scope

Enhancing Our Prominence

OUR LEADERSHIP IN INDIA

- Leading sanitaryware player
- Among leading faucet players
- One of the significant glass container manufacturers
- Features among Top 3 players in the kitchen chimney segment

OUR SCALE
11 MANUFACTURING FACILITIES (Annual production capacity)

Up to 4.2
Million pieces
Sanitaryware

3*
Million pieces
Faucets

14,000
Tonnes
Plastic pipes and fittings

1,600
Tonnes per day
Glass containers

10,166
Tonnes
PET products

275
Million pieces
Security caps and closures

*Includes 0.5 million pieces per annum of faucets plant at Bhiwadi (Rajasthan), which is under temporary shutdown

OUR DISTRIBUTION REACH

30,500+
Retail touchpoints
(including 8,500+ for CPD)

3,950+
Trade partner network
(including 575+ for CPD)

30
Distributors
(distinct distribution channel created for the newly launched pipes business; target to cross 100 by March 2019)

14
Large format retail stores
under EVOK brand

OUR MANUFACTURING ASSETS

PRODUCTS	FACILITY	CAPACITY
Sanitaryware	Bahadurgarh (Haryana) Bibinagar (Telangana)	Upto 2.0 million pieces per annum Upto 2.2 million pieces per annum
Faucets	Kaharani (Rajasthan) Bhiwadi (Rajasthan) (temporarily shut down)	2.5 million pieces per annum 0.5 million pieces per annum
Plastic pipes and fittings	Medak (Telangana)	14,000 tonnes per annum
Glass containers	Sanathnagar (Telangana) Bhongir (Telangana)	650 tonnes per day 950 tonnes per day
PET bottles and plastic products	Selaqui (Uttarakhand) Dharwad (Karnataka) Medak (Telangana)	2,569 tonnes per annum 5,284 tonnes per annum 2,313 tonnes per annum
Security caps and closures	Medak (Telangana)	275 million pieces per annum

AWARDS AND ACCOLADES

Moonbow by hindware

TRUFLO by hindware

Zavio - Auto Clean Kitchen Chimney

OUR ACCREDITATION

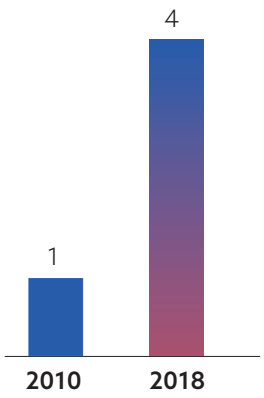
- Platinum certification by Indian Green Building Council (IGBC) for pipes and security caps and closure manufacturing facilities
- ISO 9001:2008 - Quality management system
- ISO 14001:2004 - Environmental management system
- OHSAS 18001:2007 - Health and safety management system
- ISO 15378:2011 - Quality management system to provide primary packaging materials for medicinal products
- FSSC 22000 - Food safety systems

Progress from FY 2010 to FY 2018

The Journey of Transformation

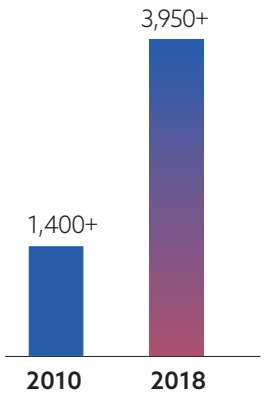
FY 2010 and FY 2018

B2C RETAIL SALES CHANNELS



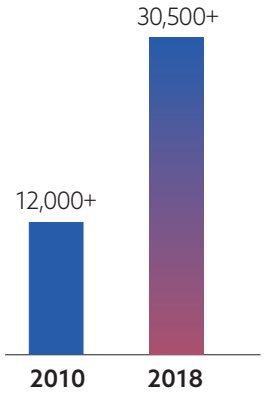
INCREASED
4 times

TRADE PARTNERS



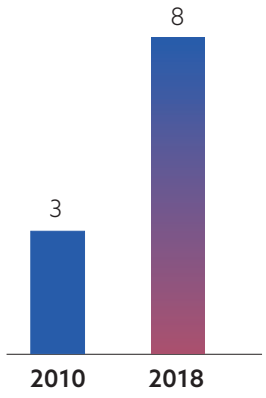
INCREASED
2.8 times

RETAIL TOUCH POINTS



INCREASED
2.5 times

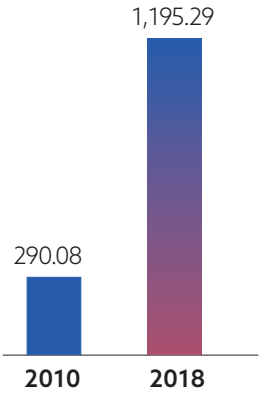
NUMBER OF BUSINESSES



INCREASED
2.7 times

NET WORTH

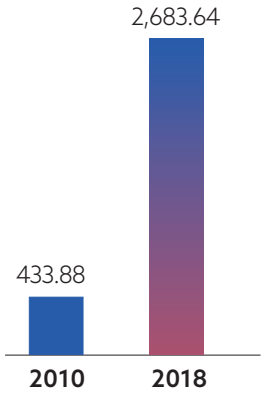
(₹ in Crore)



CAGR 19%

MARKET CAPITALISATION

(₹ in Crore)

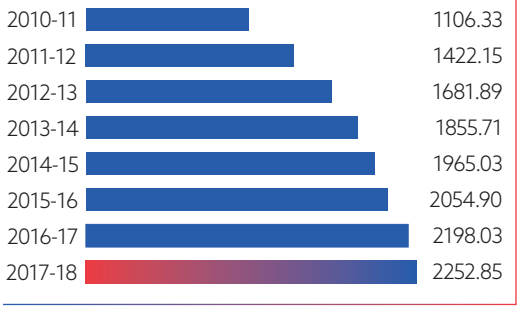


CAGR 26%
(NSE Nifty 50 CAGR 8 years: 8.54%)

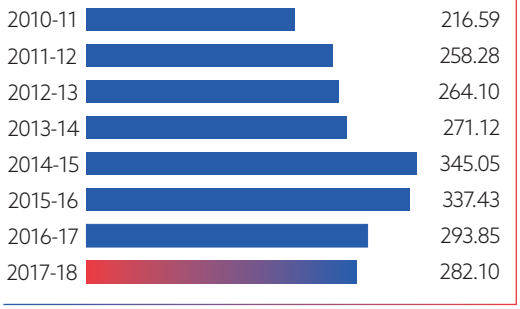
Key Performance Indicators

Eight-year Progress

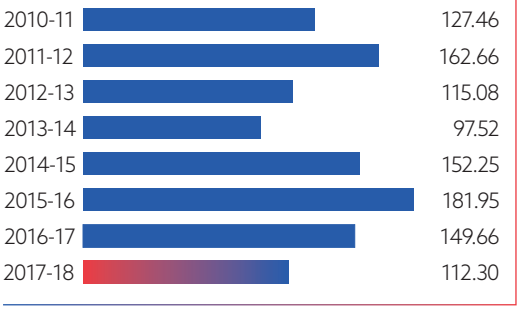
GROSS SALES
(₹ in Crore)



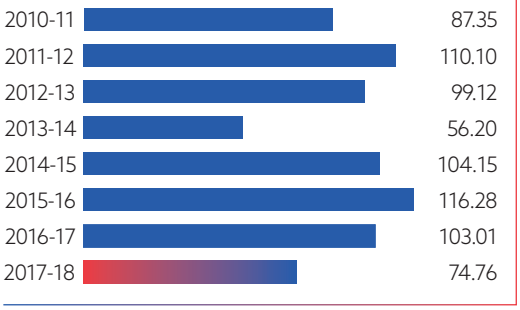
EBITDA
(₹ in Crore)



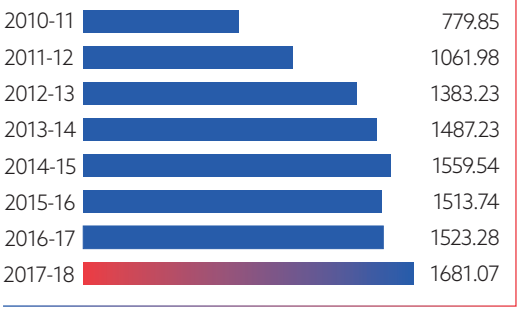
PBT (Before Exceptional Items)
(₹ in Crore)



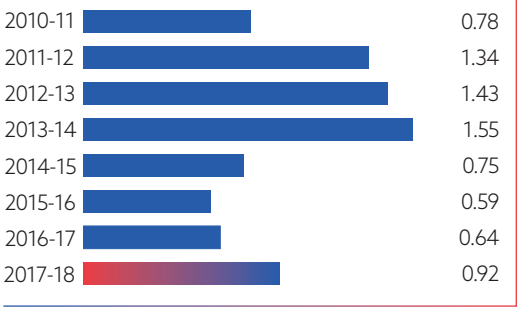
PAT
(₹ in Crore)



Net Block
(₹ in Crore)



Debt - Equity Ratio (Net)



Brands

Our Universe of Brands

BUILDING PRODUCTS DIVISION

Our global luxury bathroom is designed by master designers from Europe, probably the only full bathroom brand in the luxury space. The design language is contemporary and each bathroom is like a piece of art having the impressions of its master designer. Exclusively available only at QUEO Emporio Stores.

With a promise to deliver 'Your dream bathroom'– Hindware Italian collection has a range of technologically advanced products both in sanitaryware and faucets, which combine contemporary designs language with great functionality.

The relaunched legacy brand provides a range of entry-level bathroom products for the price conscious consumers.

Focused on entry-level bathroom products addressing the needs of price-sensitive consumers.

Brand ALCHYMI offers an exclusive range of designer bathroom, designed in partnership with leading designers well known for your appreciation of art. These designs are curated in partnership with designers in Hindware Design Studio – our state-of-the-art design hub and manufactured using Flo Sense – our propriety material science technology. The current series is curated with probably the best known Indian fashion designer, Manish Malhotra.

Superior blend of contemporary designs and classic aesthetics symbolise the Hindware Art collection. The innovative technology used in this collection brings out the beauty of these masterpieces, hence the name 'Art'.

A brand for young Indians who want a combination of good designs and aesthetic look for their bathrooms and assurance of great value for their money. Benelave offers a wide range of product in sanitaryware and faucets to suit the need of value-seeking consumers.

Offers technologically advanced wellness products which are elegant and tasteful. Inspired by the Roman era, the products are designed to render a spa-like experience.

Hindware, the leader in its segment since inception, is a full-service bathroom brand, which stands for expertise across design, manufacturing science and service; thus, delivering the best-in-class experience with its expert bathroom solutions to a consumer. Hindware offers consumers choices which suit their budget and an assurance of uncompromising delivery on quality.

Over the years, Hindware has also offered services like expert guidance, visualisation devices, experience stores so that when you start with Hindware - you have an assurance that you start with an expert.

Plastic Pipes and fittings launched under 'TRUFLO by hindware' product offerings comprise of world class PVC, CPVC, UPVC and SWR pipes.

CONSUMER PRODUCTS DIVISION

hindware KITCHEN ENSEMBLE

Inspired by Italian designs, the range offers products comprising built-in kitchen appliances like chimneys, hobs, ovens, cooktops, dishwashers and kitchen sinks.

moonbow by hindware

Air and water purifiers to bring goodness into the lives of all consumers with its aesthetically crafted, disruptively designed and technologically advanced products.

VENTS by hindware

Innovative exhaust fan with stylish design for new comfort level in shower rooms, bathrooms, kitchens and other residential premises.

hindware SNOWCREST Air Coolers

India's first air cooler comes with a one-of-a-kind changeable colour panels to match customer's home décor. Designed for easy life with smart digital display panel, soft buttons and remote-controlled operation.

hindware atlantic Water Heaters

In strategic partnership with Groupe Atlantic, a Euro 1.6 Billion company and Europe's leading brand in heating solutions. High-performing water heaters equipped with latest technology, distinctive looks and superior safety features.

RETAIL DIVISION

EVOK™

Showcase over 20,000+ products in Home Furniture, Soft Furnishings, Home Décor & Accessories, Wall Fashion, Modular Kitchens at 14 EVOK and franchisee brick-and-mortar stores. Also available online @ www.evok.in and leading e-commerce platforms.

PACKAGING PRODUCTS DIVISION

Glass containers products known for one of the widest range of quality products for bespoke customer needs.

GP

Custom range of PET bottles developed using the best-in-class technology to meet clients' requirements.

AGI CLOZURES

Patented security caps and closures products complying with global standards to deter spurious products and is a sign of trust and quality.



WE ARE ENTERING A NEW

GROWTH ERA WITH RENEWED ENERGY

FROM LEVERAGING EMERGING SOCIETAL TRENDS TO REFRESHING OUR BRAND IDENTITY TO UNLOCKING LATENT BUSINESS VALUE, WE ARE PROGRESSING SUSTAINABLY.


hindware

Business Model

Model for Value Creation

WE ARE CATERING TO THE EVOLVING NEEDS OF CUSTOMERS BY LEVERAGING OUR DECADES-RICH EXPERIENCE AND EXPERTISE.

The emerging societal trends that shape our strategy include:

- Rapid urbanisation, with Tier II and Tier III cities emerging as consumption centres
- Government focus on enhancing infrastructure creation
- Rising disposable income among surging middle-class working population across urban and smart cities
- Rise in the real estate industry, with nuclear families aspiring for home ownership
- Progressing lifestyles, resulting in a growing preference for exclusive products
- Shift in the market from unorganised to organised due to the implementation of the Goods and Services Tax (GST)
- Growing concerns over tackling counterfeit goods

CORE STRENGTHS

PRODUCTS

We possess an extensive and diverse portfolio of products across all our businesses.

Our relentless focus on portfolio expansion has enabled us to remain relevant and grow our customer base.

BRAND

Our brands have been carefully crafted with a unique personality.

By expanding our presence across strategically selected locations, we aim to maintain strong brand recall.

CUSTOMERS

We engage with customers to integrate their insights and launch new products catering to their evolving lifestyles.

Inspired design, fresh thinking and highest quality standards help us deliver great value to our customers.

REACH

We offer products to customers across the price range, enabling us to drive market penetration.

Our widespread pan-India distribution network enables us to reach target consumers.

TECHNOLOGIES

We consistently introduce smart and intelligent products to provide differentiated offerings to our customers.

We have applied for registration of patents in BPD, CPD and Security Caps and Closure businesses.

PEOPLE

We strive to make HSIL a place where talented and capable people are inspired, motivated and fully engaged in achieving organisational goals.

We continue to equip our team with the right technology, tools and training to tackle dynamic challenges.

Strategic Demerger

Strategy to Unleash Potential

DURING FY 2017-18, THE BOARD APPROVED A SCHEME OF ARRANGEMENT FOR DEMERGER OF THE COMPANY'S BUSINESSES. THE OBJECTIVE OF THE DEMERGER IS TO UNLOCK VALUE BY CREATING DISTINCT ENTITIES FOR THREE OF ITS BUSINESS UNDERTAKINGS, THEREBY ENSURING SHARPER FOCUS AND BETTER ALIGNMENT TO ITS CUSTOMERS.

The scheme provides for the demerger from HSIL of:

a. The Marketing and Distribution business of Consumer Products Division and Retail Division into a separate entity, Somany Home Innovation Limited (SHIL), and

b. The Marketing and Distribution business of Building Products Division into a separate entity, Brilloca Limited (Brilloca),

each as a going concern.

Post demerger, SHIL will issue one equity share each of SHIL for one equity share held by the shareholders of HSIL. Thereby, shareholding of SHIL will mirror the shareholding of HSIL as on record date. SHIL shares would be listed on stock exchanges and the Appointed Date of the Scheme is April 1, 2018. Brilloca will continue to be a subsidiary of SHIL immediately post demerger.

Post approval of the demerger scheme, HSIL will comprise businesses other than those demerged into SHIL and Brilloca and will mainly retain:

a. Manufacturing of building products such as sanitaryware, faucets, pipes and fittings, etc.

b. Manufacturing of certain specified consumer products such as SKD facility of water heaters etc., and

c. Manufacturing and supply of packaging products such as glass containers, PET and security caps and closures

The rationale of the demerger scheme is as follows:

a. Demerged undertakings have distinct capital requirements, nature of risk, competition, human skillset requirements, etc.

b. Dedicated and specialised management focus on the specific needs of the respective businesses

c. Enable respective businesses to improve competitiveness, operational efficiencies and strengthen their position in the relevant market places

d. Benefit to all stakeholders, leading to growth and value creation in the long run and maximising the value and return to the shareholders, unlocking the intrinsic value of assets, achieving cost and operational efficiencies.

The Company would be filing documents with National Company Law Tribunal (NCLT) as approval from stock exchanges i.e. NSE and BSE has been received. The demerger process is subject to approval from regulatory authorities including National Company Law Tribunal (NCLT)

New Capacities

AGILE FOOTSTEPS

TO LEVERAGE OPPORTUNITIES



SECURITY CAPS AND CLOSURES

During FY 2017-18, we forayed into the business of security caps and closures under the brand name 'AGI Clozures'. Our technologically advanced manufacturing facility is located in Medak, Telangana, and is certified with a Platinum rating by the Indian Green Building Council (IGBC).

Our quality assurance laboratory has the best-in-class equipment to meet global standards. The closures are certified for overall migration limits in accordance with IS-9845. The manufacturing systems are certified with ISO 9001:20015, ISO 22000:2005 and global standards of Good Manufacturing Practices (GMP) and hygiene for packaging food products. Our globally patented products are equipped with tamper evident systems to safeguard consumer products, high- value foods, pharmaceuticals and beverages against counterfeiting to ensure customers get genuine products.

The first phase of commercial production commenced in the last quarter of FY 2017-18 with annual capacity, as on March 31, 2018, at 275 million pieces. Based on encouraging response from clients, we are expanding the capacity to reach 1 billion pieces per annum by March 2019.

WE AIM TO PROGRESSIVELY ENTER BUSINESSES THAT ENJOY SYNERGIES WITH OUR EXISTING OFFERINGS TO CAPITALISE ON OPPORTUNITIES. THE STRATEGY IS TO ENHANCE OUR FUTURE PREPAREDNESS AND INVEST IN NEW PRODUCTS AND TECHNOLOGY TO STAY AHEAD OF THE CURVE.



PIPES AND FITTINGS

TRUFLO by hindware, our plastic pipes and fittings business that comprises PVC, CPVC, UPVC and SWR pipes, is back of the wall integration into our sanitaryware and faucets business. The current annual production capacity of the plant, under trial production, located at Medak, Telanagana, is 14,000 tonnes per annum and we plan to scale up to 30,000 tonnes by March 2019. We have an agreement with ~USD 10 billion Japanese conglomerate Sekisui Chemical Co. Ltd. for the supply of NSF-certified Chlorinated Polyvinyl Chloride (CPVC) compound, Durastream to help us make better quality heat-resistant CPVC pipes and fittings.

Our fully automated manufacturing plant is first in the industry to be certified with a Platinum rating by IGBC. Highly sophisticated advanced machines, including online pipe weighing, an industry-first, are used in all production departments for better productivity and superior quality. We also use Supervisory Control and Data Acquisition (SCADA) for seamless control and operations.

Expert Solution Provider in Bathrooms

TRUST OUR EXPERTISE

WE HAVE ALWAYS REFRESHED AND REALIGNED OUR BUSINESS STRATEGY IN TUNE WITH THE CHANGING ASPIRATIONS OF CUSTOMERS TO UNVEIL TECHNOLOGY-DRIVEN INNOVATIVE PRODUCTS, BORN OUT OF METICULOUS RESEARCH AND MARKET INSIGHTS.



HW PILLARS

Expert Helpline

DreamBath App 2.0

DreamBath Visualisation Book

HINDWARE 'START WITH EXPERT' POSITIONING: BRAND CAMPAIGN

To understand what consumers expect of Hindware, we undertook a study involving 20,000 consumers, 100 architects and commissioned multiple research studies by leading market agencies. Key findings of the study positioned Hindware as the key contender to take the stance of an **Expert Solution Provider in Bathrooms,** owing to the legacy and trust consumers have in the brand which is reflected in our market share in sanitaryware, the largest in the country.

We redefined Hindware's brand identity with a new promise, 'Start with the Expert', and a new azure symbol of expertise, 'HW'.

Hence we decided to take a big leap to solidify consumers' trust and transform ourselves into an expert brand that will handhold the consumers through the decision-making journey in their tryst of creating bathrooms they will keep admiring. Our new symbol of expertise is testimony to our commitment to be the best in the bathroom space.

EXPERT HELPLINE

The Hindware Expert Contact Centre is an integrated communications system. The Expert helpline (toll-free phone numbers 1800 200 7577 / 1800 103 7577) is functional six days a week, Monday to Saturday, from 9:30 am to 6:30 pm. The helpline provides the assistance customers need to build their dream bathrooms.

DREAMBATH APP 2.0

The app helps consumer in solving their bathroom needs at the touch of a button without any hassle. Now consumers can visualise the bathroom even before buying the products. The app has features such as Virtual Reality (VR) with a 360-degree watch with VR Gear, Augmented Reality, GPS-enabled dealer locator, VR for iOS and social media integration, among others.

DREAMBATH VISUALISATION BOOK

A contemporary bathroom is as much about aesthetics and visual delight as it is about functionality. At HSIL, we offer solutions that marry technology with aesthetics to create spaces that are truly alluring. We are showcasing various bathroom themes in the DreamBath Visualisation Book.

HINDWARE DESIGN STUDIO

Hindware Design Studio is a state-of-the-art design centre where our Research and Development (R&D) team is working on innovative technological advances to create a cutting-edge, intelligent and smart product portfolio.

EXPERT WEBSITE

Our website hindwarehomes.com showcases our entire suite of products and services and assists the consumers with beautiful bathroom themes, coordinated products and expert content.

EXPERT STORES

Hindware Lacasa stores are a one-stop destination for homemakers, architects, interior designers and business buyers to envision and explore Hindware's products. The stores bring the brand closer to varied consumers and promise to deliver best-in-class experience.

IN-STORE EXPERTS

We have trained Hindware in-store experts to advise customers on bathroom solutions and ensure superlative customer experience and satisfaction.

ASK THE EXPERT

Hindware stepped up investments across diverse platforms to promote its new brand identity 'Ask the expert' to engage consumers across multiple touchpoints, including digital media, to enhance visibility.

We launched a new TVC campaign with Bollywood Badshah Shah Rukh Khan. The campaign communicates the brand philosophy of being the 'Expert Companion' in helping consumers make their dream bathrooms a reality.

Hindware Design Studio

Expert Website (hindwarehomes.com)

Expert Stores

In-store Experts

Launch of Brand ALCHYMI

Symphony of Minimalism and Magnificence



ALCHMYI was launched in August, 2017 with the objective of upgrading consumers who are satisfied and trust Hindware but seek contemporary, discerning solutions both in aesthetics and design. These consumers are also looking at additional reassurance to justify their decision to play in the space Hindware provides with ALCHYMI, an Indian brand delivering products that match global standards – best in design, technology and materials. For ALCHMYI, we partnered with Manish Malhotra, who uses our FloSense technology and combines it with his discerning style and design knowledge to curate signature ranges of bathrooms that inspire and impress.

ALCHYMI is an exclusive collection of the most elegant and contemporary bath spaces that define not just how you feel, but also how you live.

Great design in bathrooms is not merely about good-looking products; it is about good-looking products that work well together. Just like in nature, well-designed bathrooms have energy in harmony – earth, wind, water and fire – all elements working in tandem. ALCHYMI strives to achieve this harmony through the amalgamation of the finest materials and best-in-class technological processes. We call this FloSense – our design philosophy. We use FloSense to create bathrooms that set the trend in design. ALCHYMI promises bathrooms that are the pride of their owners and truly reflect their status.

So far, seven bathroom suites have been launched under the ALCHYMI collection – *Black Pearl, Earthen Escape, Poise, Harmony, Minimal Moda, Symphony and Odyssey*. Each bathroom suite has a unique design story, with differentiated offerings combined with pioneering product designs, to create stunning bathrooms.


AN EXCLUSIVE COLLECTION OF MOST ELEGANT AND CONTEMPORARY BATH SPACES CURATED BY MANISH MALHOTRA IN HINDWARE DESIGN STUDIO USING FLOSENSE TECHNOLOGY.
DESIGNED BY
ALCHYMI
CURATED BY
MANISH MALHOTRA
ALCHYMI
hindware





OUR NEW ENERGY IS PROPELLING US TO EMBARK UPON NEW ENDEAVOURS WITH

FOCUS AND FORTITUDE.

Business Segment 1

Building Products Division

INNOVATION CONTINUED TO BE A KEY FOCUS AREA FOR US IN FY 2017-18 AND GOING FORWARD, WE WILL CONTINUE TO INVEST IN DRIVING INNOVATION ACROSS OUR PRODUCTS, SOLUTIONS AND PROCESSES.

It is our endeavour to drive customer-centricity and customer convenience across all our initiatives and be accessible to them on all platforms.

We are in a strong position to capitalise on the opportunities ahead because we continue to invest in superlative products, service range and customer technology.

The Building Products Division houses our flagship business of sanitaryware, faucets, wellness products and the recently launched plastic pipes and fittings business. Our foray into the pipes and fittings segment has enabled us to become a more comprehensive bathroom solutions provider. We have reinforced our position in the building products industry through multiple brands and a wide product basket, targeted at various (mass, premium and luxury) segments. The sanitaryware, faucets and wellness product brands under this division include Queo, Amore, Hindware Italian, Hindware Art, Hindware, H-Vitreous, Raasi, Benelave and the recently launched ALCHYMI in the super-premium category. We explore new product lines in sync with emerging technologies, customer aspirations and demands.

Our plastic pipes and fittings (CPVC, UPVC, PVC and SWR) business is built on our legacy of innovation. It will help us emerge as a wide-ranging bathroom solutions provider as it is a natural extension of our bathroom product streams – from 'front of the wall' to 'behind the wall'.

We have five manufacturing facilities for this business. Our sanitaryware production units are located at Bahadurgarh, Haryana and Bibinagar, Telangana. The two faucet plants are situated at Kaharani and Bhiwadi (under temporary shutdown) in Rajasthan. We recently started trial run for the plastic pipes and fittings plant at Medak, Telangana.

Customer satisfaction, product innovation and quality control have fostered great levels of trust and respect for the Hindware brand from over millions of customers.

ROLE OF DIGITAL IN MARKETING

At Hindware, we are aware that we are marketing in a digital world and our approach strongly revolves around assisting and empowering consumers, as they move along the decision journey, using relevant digital assets and content.

Consumers moving from online to offline or vice versa are provided with a seamless product experience at the brand shops and experience centres. Capturing these experiences through a Lead Management System and delivering personalised services reflect our omnichannel approach.

This omnichannel approach presses into service assets and technologies such as the Hindware Dreambath App, website, social media channels, 3D Digi Assist, Augmented Reality, Virtual Reality, 3D bathrooms and bespoke bathrooms designs.

This leads to more direct calls to the Company as well as store walk-ins. Digital media efforts ensure measurable actions against marketing spends by precise targeting and informing back about metrics such as reach, engagement, view, etc. of content assets. These efforts ensure discoverability on search engines as well as social media channels across devices, especially mobile phones.

We actively manage our online reputation by giving timely responses to online user-generated queries. This has resulted in higher customer satisfaction and supports customer service. We have recently launched our own social media command centre to ensure we listen and respond to our consumers in real time.

Recently launched Pragati CRM solution for institutional clients (builders, architects, construction companies and realty developers) to understand their project status and procurement schedules.

Through this solution, we inform clients about product catalogues, product launches and relevant purchase-influencing information.



DIGITAL PLATFORMS

DREAMBATH MOBILE APP

HSIL launched the path-breaking bathroom visualisation app 'Hindware DreamBath', a one-of-its-kind industry initiative to provide comprehensive bathroom solutions virtually. The tool offers customers various coordinated themes built on the emotion of 'my personal space', designed by experts for bathrooms and bathing spaces. The app will help the Company transcend the demarcations of functionality and turn the process of designing a bathroom into a creative experience.

BESPOKE BATHROOMS

Customers can design their bathrooms from scratch with the help of the Company's designers after briefing them about the shape, size and preferred taste of their desired bathrooms; and the Company can bring it to life with its bespoke software.

SOCIAL MEDIA COMMAND CENTRE

We have launched our own Social Media Command Centre to listen and respond to our consumers in real time to ensure higher customer satisfaction and support customer service.

3D DIGI ASSIST AT LACASA STORES

One-of-its-kind assistive technologies in bathroom selection is intended to help consumers visualise the perfect bathroom right in our stores. They can choose from the Company's myriad themes and products before making a purchase. Consumers can then receive a personalised quote to fit their budget.

MARQUEE PRODUCTS



RIMLESS

We have pioneered the 100% rimless one-piece water closet series, making Hindware the only 100% bacteria-free water closet brand recommended by the Indian Medical Academy for Preventive Health (IMAPH). The design ensures there is no unglazed part of the closet and it promotes easy cleaning and better hygiene. Aesthetically rich, the smooth and curvaceous design provides a powerful swirl-like motion flush, cleaning the closet at one go. Other features include a sleek cistern lid and a slow-falling seat cover.

100% CLEAN.
100% RIMLESS.

Recommended by
INDIAN MEDICAL ACADEMY



TOUCH-FREE FLUSHING

We introduced India's first European Water Closet (EWC) under the brand Hindware Italian Collection range, with an inbuilt sensor for touchless flushing. The EWC senses the hand and activates the flush. This innovative technology is user-friendly, maintenance-free and provides safety against germs due to its no-touch feature.



AQUA SHEET FLUSHING SYSTEM

We introduced India's first water closet with a unique aqua sheet flushing system to conserve more water compared to a standard flush which is also capable of cleaning the entire area with minimum flushing noise. Its geometry-inspired design and duraplast slow-falling seat cover embed the bathroom with a sophisticated look.

BRAND BOUQUET (SANITARYWARE AND FAUCETS)

LUXURY: QUEO – NOTHING LESS WILL DO; Amoré

SUPER-PREMIUM: ALCHYMI by hindware

PREMIUM: hindware ITALIAN COLLECTION; hindware ART; hindware Start with the expert

MASS: BENELAVE™; VITREOUS SINCE 1960; RAASI

BRAND (PLASTIC PIPES AND FITTINGS)

TRUFLO® by hindware

PRODUCT RANGE



KEY INSTITUTIONAL CLIENTS

adani · BRIGADE GROUP For a better quality of life, upgrade to Brigade · COUNTRY INN & SUITES BY RADISSON · DLF · EMAAR MGF · GMR · Godrej PROPERTIES · Infosys · KALPA-TARU POWER TRANSMISSION LIMITED · LARSEN & TOUBRO · Le MERIDIEN · Marriott · MAHAGUN A NAME THAT PERFORMS · NTPC · OMAXE Turning dreams into reality · Prestige GROUP Add Prestige to your life · PURAVANKARA · RMZ CORP BEING THE CHANGE · SAROVAR HOTELS & RESORTS · SATTVA TRUST. IT'S WHAT WE BUILD · Shapoorji Pallonji · SOBHA · SBI · Sunteck · TATA HOUSING · TAJ Hotels Resorts and Palaces

ADVANTAGES

LEGACY
Being a pioneer and trend setter in this segment for more than five-and-a-half decades, makes Hindware a trusted brand with in-depth understanding of customer aspirations and trends.

BRAND RECALL
Our flagship brand Hindware enjoys strong brand recall across the country. Under its aegis, we have launched several brand extensions such as 'TRUFLO by hindware', our pipes and fittings business, which finds resonance with customers owing to Hindware's market acceptability.

INNOVATION-LED
We have stayed ahead of competition through consistent innovation across product categories. Our innovation-led approach has enabled us to sustain our growth trajectory and launch truly world-class products in the market. We also collaborate with reputed national and international designers to deliver indulgent and contemporary products.

WIDE RANGE
Over the years, we have leveraged our product design and development competencies and manufacturing capabilities to expand range of sanitaryware, faucets and wellness products across various price segments. We offer wide product portfolio for use in domestic and commercial applications.

ENHANCED SCALE
We are one of the leading producers of sanitaryware and faucets in India, bringing economies of scale across all plants.

STRINGENT QUALITY
We have stringent processes in place to enhance product quality. Our offerings undergo a series of quality tests and checks that enable us to lower rejection rates and minimise customer complaints.

EXTENSIVE REACH
Our large network of dealers and retailers across India help us in expanding our reach. Our wide sales and distribution network enables us to reach our customers pan-India. A majority of sanitaryware retailers in the Indian market, directly or indirectly sell our sanitaryware brands.

VALUE FOR DEALERS
Our Darpan application continue to empower dealers by providing them access to all HSIL transaction details, product launches, schemes and incentives. The application ensures transparency, gradually moving dealers into becoming our business partners.

RETAIL
Our retail business contributes to around 75% of the total business. It enhances our margins, contains receivables and provides better insight into evolving consumer buying pattern.

SERVICE NETWORK
Our inhouse after-sales service team comprises 300+ certified service engineers, available across 600+ districts in India from 20 after-sales service centres.



BRAND SHOWCASE STORES

HINDWARE LACASA

Lacasa is a one-of-its-kind digitally integrated concept store for bathroom spaces. It caters to the bathroom fittings requirements of architects, interior designers, business buyers and homeowners. The Lacasa stores offer real-time experience to customers for all HSIL brands — QUEO, ALCHYMI, Hindware and Amore.

These showrooms have digital integration at every point for easy selection of products where consumers are provided a smart device to interact with their favourite products. Our Lacasa stores offer a selection of 100+ bathroom themes. We also use 3D Digi-assist technology, a unique technology to let customers visualise the perfect bathroom in our stores. This technology-enabled experience allows customers to pick from our innumerable themes and products before making a purchase and receive a personalised quote to fit their budget. These specially designed stores take consumers on an exhilarating journey to sneak a peek into alluring bathroom suites with beautiful combinations of our products.

Lacasa
HOME OF FINEST BATHWARE

5
Hindware Lacasa stores

BRAND STORES

The Hindware brand stores are exclusive retail outlets displaying a diverse range of sanitaryware and wellness products, including faucets and showers. The stores are in line with the brand's spirit of 'Bathrooms you keep admiring' and are equipped with unique décor, styling and product display. There are four different formats of brand shops, including Hindware Premiere, Hindware Galleria, Hindware Boutique and Hindware Studio, depending upon the exclusive display area, store location and business size.

hindware Premiere
hindware GALLERIA
hindware Boutique
hindware Studio

310+
Hindware Brand stores

QUEO EMPORIO

QUEO Emporio provides customers with an unmatched luxury experience, allowing them to experience the brand in an ultra-modern setting. The design of the store is inspired by timeless art and the brand's desire to enhance customers' bathrooms with elegance and refinement. The store employs hand-picked bathroom experts who are well-trained and dedicated to ensure the customers have a smooth buying and after-sales experience.

QUEO emporio



30+
QUEO Emporio showrooms

GROWTH STRATEGY

- Enhance dealer and retailer network in existing and new markets, including Tier III and Tier IV towns, to deepen market penetration
- Strengthen our presence across e-commerce platforms to connect with customers online and increase our visibility beyond brick-and-mortar stores
- Reinforce our position in the luxury segments driven by exceptionally designed products and influencer and dealer experiential events
- Focus on brand segmentation for offering better value for customers
- Facilitate debottlenecking of existing facilities to optimise manufacturing capabilities and improve operating efficiencies
- Augment engagement with plumbing consultants and independent contractors to showcase our pipes and fittings products

Business Segment 2

Consumer Products Division

WITH AN AIM TO GROW THE CONSUMER BUSINESS MANIFOLD AND TO BE AMONG THE LEADING PLAYERS IN THE CATEGORIES WE OPERATE IN, WE WILL CONTINUE OFFERING TOP-OF-THE-LINE PRODUCTS TO OUR CONSUMERS. MOST OF OUR PRODUCT CATEGORIES HAVE GENERATED VOLUMES FOR US AND HAVE HELPED US TO REACH OUT TO A NEWER TARGET AUDIENCE. WE ARE EXCITED TO SEE THAT OUR STRATEGY IS ON THE RIGHT TRACK AND BRINGING RESULTS.

To gain market share in the fast-growing Consumer products market, HSIL entered the segment. Leveraging the brand Hindware, HSIL launched path-breaking products for the dynamic Indian consumer. We offer multiple products such as air and water purifiers, kitchen appliances, water heaters and air coolers across varied price range for the evolved consumers. We offer quality and advanced products and have strategic alliances with leading global players like Groupe Atlantic, a Euro 1.6 billion conglomerate, for water heaters. In a short span of time, HSIL has gained a strong foothold in these product categories, especially kitchen chimneys, water heaters and air coolers.

PRODUCT RANGE

PRODUCTS	USP'S
Hindware Kitchen Appliances (including chimneys, hobs, ovens, cooktops, dishwashers and kitchen sinks)	• Auto-clean facility in kitchen chimneys • Motion-sensor technology for chimneys • Product of the year – Zavio • Hobs with brass burners
Hindware Vents	• Innovative exhaust fans with stylish design for new comfort level in shower rooms, bathrooms, kitchens and other residential areas
Hindware Atlantic water heaters	• Collaboration with Groupe Atlantic, Europe's leading brand in heating solutions • Titanium Core Shield & O Pro patented technology that enhances the life and durability of water heaters • Enhanced Ingress Progression (IP) 24, which provides superior safety • Top-of-the-line, aesthetically-rich water heaters • Coated with titanium to prevent corrosion due to poor water quality
Moonbow water purifiers	• Powered with cutting-edge HexaPure technology and mineral fortification technology – the best Reverse Osmosis (RO) technology
Moonbow air purifiers	• Air purifiers with Puri 5 technology and refreshing energisers
Hindware Snowcrest air coolers	• India's first air cooler with changeable colour panels to match the ambience of the room's décor

Witnessed stable growth in the water and air purifier segments under the brand 'Moonbow' by Hindware owing to their unique features designed to make the lives of consumers easier.

BRAND BOUQUET

hindware KITCHEN ENSEMBLE

hindware atlantic Water Heaters

hindware SNOWCREST Air Coolers

moonbow by hindware

VENTS by hindware



PRODUCT LAUNCHES IN FY 2017-18

INCREASING OUR KITCHEN APPLIANCES RANGE

The Company introduced several products in the kitchen appliances category, including kitchen chimneys, gas stoves and cooktops. During the year, following products were launched:

- Alicia Auto Clean cooker hood – an auto-clean kitchen chimney
- Theo Motion Sensor Chimney
- Diva Plus, a five-burner built-in hob
- Flora Plus, Bravia Plus, Andrea and Laura – a range of four-burner built-in hobs
- Gloria Plus, Elisa Plus and Arena – a range of three-burner built-in hobs
- Lorenzo White Cooktop series, equipped with 8 mm toughened glass for strength and durability

GROWING OUR WATER HEATER RANGE

HSIL uses Titanium Core Shield and O Pro patented technology that enhances the life and durability of water heaters. Enhanced Ingress Progression IP 24 is used which provides superior safety to Hindware Atlantic Water Heaters. During the financial year, water heaters with superior technology and aesthetic designs, Ondeo EVO, Ondeo Horizontal and Fraiso, were launched.

FORTIFYING OUR WATER PURIFIER RANGE

HSIL widened its portfolio of water purifiers with entry-level as well as premium products during FY 2017-18:

- Moonbow Alpheus RO + Mineral Water Purifier, an entry-level model in the RO category
- Oceanus 3000, a premium water purifier with a smart interface
- Alpheus UV+UF to expand the existing range of UV water purifiers

STRENGTHENING OUR AIR COOLER RANGE

During FY 2017-18, we launched the compact and sleek tower and table-top air coolers capable of fitting in any corner of the room. These air coolers have set a new benchmark in the segment with their advanced technology and aesthetics as their colour panels can be changed to match individual style and home décor. They also come equipped with a unique anti-skid top cover to provide additional grip and storage for placing objects on their top and a distinctive ice chamber to quickly reduce room temperature.

BRAND CAMPAIGNS

MOONBOW WATER PURIFIERS

Moonbow water purifiers' campaign tagline 'Ab India peeyega achha' focuses on 'good human values' that parents want to inculcate in their children. The campaign showcases the brand's inherent goodness, where it purifies water, along with adding the goodness of essential minerals to it through Hexa Pure technology.

HINDWARE SNOWCREST AIR COOLERS

HSIL launched the first TV campaign for Snowcrest Air Coolers, highlighting the unique proposition of 'Changeable Colour Panels in Dessert Coolers'. The campaign's tagline 'It's cool to be colourful' was based on the insight that in addition to expecting basic functional benefits of a product, consumers expect it to enrich their lifestyle.

ADVANTAGES

ASSET-LIGHT MODEL

Our asset-light model allows us to source our products from leading global consumer product makers. This will make our business more profitable with minimum capital expenditure requirements.

WORLD-CLASS PRODUCTS

Our products are embedded with cutting edge-technology with superior aesthetics appeal.

STRONG BRAND RECALL

Our products, branded under the flagship 'Hindware', have enjoyed great market acceptability and have enabled us to establish a strong connect with consumers.

WIDE DISTRIBUTION NETWORK

We enjoy a vast network of 575+ distributors and 8,500+ retail outlets across India. We also sell our products through e-commerce platforms such as Amazon, Flipkart, Paytm, Snapdeal and Tata CLiQ among others. In addition to this, we have a robust presence across modern retail format stores such as Reliance Digital, Walmart, Spencers, Metro Cash and Carry.

CUSTOMER-CENTRICITY

Customer-centricity is deeply etched into our value system. This quality is reflected in the after-sales services of our products. We maintain the focus and momentum in building and maintaining customers' trust and loyalty towards our brands on an ongoing basis.

VISIBILITY

We regularly carry out focused marketing and promotion campaigns to strengthen and grow our consumer products prominence.

GROWTH STRATEGY

- Increasingly address new target groups, utilising additional market potential and strengthening our market position across India
- Fortify existing product categories, enabling us to expand our customer connect and gain higher market share
- Expand retail presence to achieve higher scale
- Delight customers consistently by offering products with new technologies and smart features, along with best design and value-added features

Business Segment 3

Retail Division

WE OFFER SPECIALITY HOME INTERIOR PRODUCTS THROUGH A CHAIN OF RETAIL STORES UNDER THE BRAND EVOK.



We operate 14 large stores across the country. Spread over sprawling 8,500+ square feet space, EVOK showcases over 20,000+ world-class contemporary products in solid wood furniture, soft furnishings, home décor and accessories, wall fashion, modular kitchens, bath, decorative lightings and floorings.

Our online store at www.evok.in showcases a range of home solution products available with facilities such as free delivery, free installation and a 14-day easy return policy. We are constantly increasing our presence on leading online platforms to increase brand visibility and our customer base.

BRAND

EVOK™

PRODUCT RANGE

- Solid wood furniture
- Soft furnishings
- Home decor and accessories
- Wall fashion
- Modular kitchens
- Bath decorative lightings and floorings

Business Segment 4

Packaging Products Division

WE ARE FOCUSING ON ACHIEVING HIGHER SCALE AND COST EFFICIENCIES ACROSS ALL OUR PLANTS. INNOVATION WILL BE INSTRUMENTAL IN DRIVING SALES ACROSS GLASS CONTAINERS, PET PRODUCTS AND SECURITY CAPS AND CLOSURES. OUR STRATEGIC POSITIONING IN EACH OF THESE PRODUCT CATEGORIES DIFFERENTIATES US FROM THE MARKET.



HSIL is one of the leading glass container manufacturers with a significant market share catering to marquee clients in the packaged beverages, food, beer, liquor, chemical and pharmaceutical sectors. We manufacture glass containers, PET products and security caps and closures. We have two glass container manufacturing facilities at Sanathnagar and Bhongir in Telangana and three PET production units at Selaqui in Uttarakhand, Medak in Telegana and Dharwad in Karnataka. We started the first phase of manufacturing security caps and closures at our world-class manufacturing plant in Medak, Telangana. The rising demand for safety and tamper-proof capping (which prevents counterfeiting), especially from the liquor industry, propelled us to move into this business segment by developing our patented products.

BRAND BOUQUET

AGI CLOZURES

PRODUCT RANGE



KEY INSTITUTIONAL CLIENTS

Abbott
Allied Blenders & Distillers
AB InBev
BACARDI ESTD CUBA 1862
Carlsberg
CavinKare Making Lives Happier
Coca-Cola
Dabur Celebrate Life!
DIAGEO
Dr. Reddy's
Glenmark A new way for a new world
gsk GlaxoSmithKline Consumer Healthcare
gsk GlaxoSmithKline
Himalaya WELLNESS SINCE 1930
Hindustan Unilever Limited
MERCK
Nestlé NUTRITION
Parle Agro
PEPSICO
Pernod Ricard
Pfizer
Reckitt Benckiser
SULA VINEYARDS
SUN PHARMA
ThermoFisher SCIENTIFIC
UB
UNITED SPIRITS A DIAGEO Group Company
SAB MILLER

ADVANTAGES

LONG-STANDING RELATIONSHIPS
Our long-standing and decades-strong relationships with institutional clients across various industries enables us to derive business year-on-year.

INTEGRATED OFFERINGS
We offer complete packaging solutions under one roof with three types of products – glass, PET and security caps and closures.

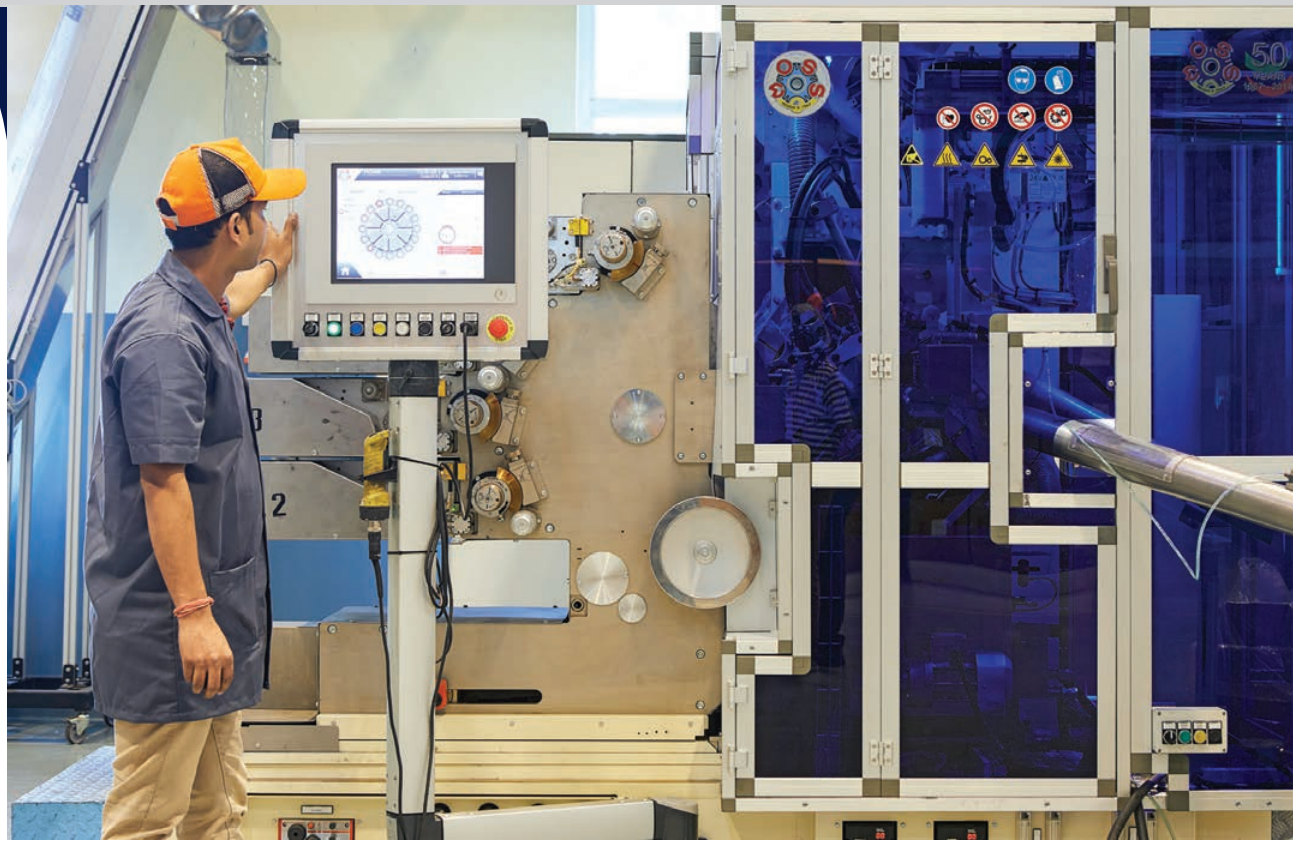
ROBUST PRODUCT RANGE
Our glass packaging products are usually produced in amber, flint and green colours. We are also capable of manufacturing special coloured bottles, such as in dead leaf green and blue colours, as well as print permanent logos on glass bottles. We offer over 600 different types of glass bottles and over 100 types of PET bottles.

TIMELY RESPONSE
We swiftly adapt to the constantly changing preferences of our clients by offering customised products integrated to their filling lines.

VAST EXPERTISE
At our manufacturing facility, we have access to mould making, quartz mining and printing-applied-colour labelling facilities. Additionally, superior technical know-how about batch houses, furnaces, production processes, cold-end inspection and product packaging ensuring seamless operations enables us to manufacture technologically advanced products.

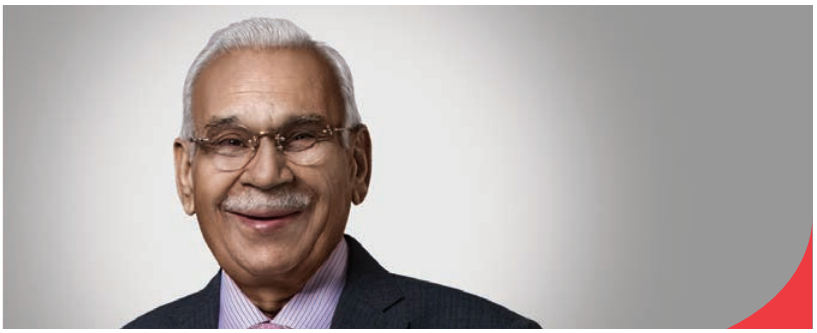
LOCATIONAL ADVANTAGE
Our packaging plants are in the vicinity of our clients' filling locations, which leads to significant savings of logistics and freight costs.

GROWTH STRATEGY
- Deliver customised packaging products to consistently stay relevant for clients using innovation
- Improve capacity utilisations and augment operational efficiencies
- Enhance export presence for glass bottles and security caps and closures
- Scale our newly commissioned security caps and closures plant



The Board

Board of Directors



DR. 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 63-year work experience
- Active member of Rotary for past 56 years
- Bestowed upon with degree of 'Doctor of Philosophy in Management' by KEISIE International University (KIU), South Korea
- Presented with 'Lifetime Achievement Honour' by Washroom & Beyond, reputed trade magazine
- Presented with 'Lifetime Achievement Award' and 'Vishwakarma Award' by Indian Plumbing Association (IPA)
- Conferred with 'Lifetime Achievement Award' by ACETECH
- Conferred with 'Lifetime Achievement Honour' by World Consulting and Research Corporation (WCRC)
- Conferred with 'Lifetime Achievement Award' at India's Most Admired Brand's event hosted by White Page International
- Presented with 'Trailbrazer of Sanitaryware Award' at World Business Conclave, Hongkong
- '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
- Executive Board member and Senior Fellow member of Indian Green Building Council (IGBC)
- Chairman of Indian Plumbing Skills Council (IPSC)
- 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
- Fellow member of Chartered Management Institute, Institute of Directors, Institute of Materials, Minerals and Mining, UK (IOM[3]) and Life Fellow of the All India Management Association
- Emeritus member of American Ceramic Society
- Member of Corporate Affairs Committee and CSR Committee of the Company



SANDIP SOMANY

Vice Chairman and Managing Director

Since: 12.09.1995* (Associated with the Company since 01.10.1985)

- Commerce graduate and a diploma holder in Ceramic Manufacturing Technology from the US
- A 33 year work experience in the ceramics and glass industry
- Former President of PHD Chamber of Commerce and Industry (PHDCCI)
- Past-President of International Chamber of Commerce — (head quarter in Paris) India Chapter
- Currently on the Board of Federation of Indian Chambers of Commerce and Industry (FICCI)
- Member of Managing Committee of The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
- Chairman of the Indian Council of Sanitaryware Manufactures (INCOSAMA)
- Member of the Governing Council of All India Glass Manufacturer's Association
- Member of Corporate Affairs Committee and CSR Committee of the Company

*Mr. Sandip Somany was appointed as Joint Managing Director w.e.f 12.09.1995 to 30.11.2016 and was re-designated as Vice Chairman and Managing Director w.e.f. 01.12.2016.



SUMITA SOMANY
Since: 29.05.2014

- A Commerce graduate
- Member of Corporate Social Responsibility Committee of the Company



G. L. SULTANIA
Since: 09.01.2006

- Commerce graduate, Fellow Chartered Accountant, Fellow Company Secretary and consultant by profession
- Possesses vast knowledge and experience of Financial Restructuring, Corporate Laws and Legal Compliance
- General Member of Association of Corporate Advisers & Executives
- Member of Stakeholders' Relationship (Shareholders'/ Investors' Grievance) Committee and Corporate Affairs Committee of the Company



ASHOK JAIPURIA
Since: 15.05.2004

- Qualified in Business Administration and Marketing Sciences
- Chairman & Managing Director of Cosmo Films Limited, an Indian MNC, which is into manufacture and export of Biaxially Oriented Polypropylene (BOPP) Films
- Former Member of the Board of Governors of the Indian Institute of Technology, Indore & Patna
- Former Executive Committee Member of Federation of Indian Chambers of Commerce & Industry (FICCI), New Delhi
- Former Member of the Board of Governors of the Institute of Liver & Biliary Sciences
- Former President of Golf Foundation, an organisation to help the underprivileged potential golfers in India
- Founder Trustee of Cosmo Foundation, an Organisation to impart education to the underprivileged
- Member of Audit Committee and Nomination and Remuneration Committee of the Company



V. K. BHANDARI
Since: 17.01.2004

- Fellow Chartered Accountant with over 36 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



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
- Chairman of the Company's Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee of the Company
- Member of Audit Committee of the Company



SALIL BHANDARI
Since: 29.05.2012

- Fellow Chartered Accountant, Commerce graduate (Honours) 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 & Associates LLP 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 & family structures
- Former President of the PHD Chamber of Commerce and Industry (PHDCCI)
- Former Chairperson of Society for Integrated Development of Himalayas (SIDH) and Child Fund India
- Was the member of Task Force — Commission on Centre State Relations, Govt. of India
- Was a Managing Committee member at ASSOCHAM
- Was a member of the Advisory Committee, Dept. of Company Affairs, Govt. of India
- Currently on the Board of the Indian Institute of Management (IIM), Indore.
- Presented papers at national and international conferences on wide ranging issues relating to organisational management
- 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 and Corporate Affairs Committee of the Company



DR. RAINER SIEGFRIED SIMON
Since: 18.05.2011

- A German Citizen, professional with over 32 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
- Member of the Board, Lecico Egypt S.A.E.

Human Resources

Performing. Connecting. Innovating.

OUR PEOPLE ARE COMMITTED TO DELIVER ON THE PRIORITIES OF OUR CUSTOMERS AND OTHER STAKEHOLDERS. WE INVEST IN BUILDING THE CAPABILITIES OF OUR TEAMS TO ELEVATE THEIR PERFORMANCE. WE ALSO REINFORCE A CULTURE OF ROUND-THE-YEAR ENGAGEMENT TO NURTURE AND SHARE STERLING IDEAS FOR INNOVATION AND FOSTER A SENSE OF OWNERSHIP.

TENETS OF EMPLOYEE-CENTRICITY

- **Growth guidance**
- **Environment of trust**
- **Collaboration**
- **Mutual respect**
- **Open communication**
- **Continuous learning**

NURTURING TEAMS THROUGH DEVELOPMENT PROGRAMMES

Our hiring is based on the current business and geographic requirements, backed by regular productivity assessment. We continue to recruit people from premier institutions in both Tier I and Tier II cities. Post recruitment, the new hires undergo a 60-day training module called Saksham, followed by an on-field sales training. This training equips them with knowledge and know-how to provide the highest level of professional and personalised service that our customers have come to rely on.

We invest in consistent learning and development programmes for our workforce to help our employees, at all levels, to realise their true potential. The training programmes vary from instilling the right organisational and behavioural culture to implementing tailor-made technical training modules.

DEFINING CAREER ROADMAP

Our diverse businesses provide us ample opportunities to offer attractive and engaging careers to our people. We encourage cross-functional movement of our employees to catalyse their career development. We have an open-door policy that inspires our people to know about the Company's performance through regularly organised Town Halls with our senior leadership team.

ENHANCING THE EMPLOYEE EXPERIENCE

We go the extra mile to care for our people. We work towards providing a healthy work-life balance for our employees and have set up a creche for working mothers in our organisation.

At HSIL, we recognise the contribution of our veteran team members by rewarding their commitment. We encourage our employees to participate in our Corporate Social Responsibility (CSR) initiatives and celebrate festivals to instil a sense of belonging. Other employee benefits include a re-hiring policy for our ex-employees and referral bonus for employees who recommend new hires for the organisation.

KEY MILESTONES OF FY 2017-18

- Introduced Leadership Talk, a programme by key influencers and business leaders across the country to share their insights with our team
- Collaborated with KPMG to facilitate development modules at specific assessment centres and create development plans for potential employees across businesses
- Launched the Consumer Business Emerging Leadership Programme (CBELP) to impart training to identified key resources and designed a defined career path for them
- Great Place to Work Institute has recognised us among the Best Workplaces to work in India

OUTLOOK

Going forward, we aim to establish a training academy, encompassing employees of all businesses, to facilitate a continuous learning environment for our people.

Corporate Social Responsibility

Blueprint for Growth and Accelerated Value Creation

OUR CORPORATE CITIZENSHIP EFFORTS ARE AN EXTENSION OF OUR BROAD SUSTAINABILITY AGENDA TO CREATE SHARED VALUE FOR ALL STAKEHOLDERS. WE PRIMARILY FOCUS ON HEALTH, EDUCATION, SANITATION, WOMEN EMPOWERMENT AND RURAL DEVELOPMENT, AS THESE AREAS ARE CRITICAL FOR INCLUSIVE DEVELOPMENT OF A NATION.



PHILOSOPHY

The overarching philosophy that guides our corporate responsibility initiatives is 'value for the nation; value for all'. Our objective is to achieve far-reaching impacts and outcomes with prudent Corporate Social Responsibility (CSR) initiatives and need-based allocation of financial and human resources.

We are reshaping not just our businesses, but also the way we care for our communities. During FY 2017-18, we institutionalised the HSIL Corporate Social Responsibility Foundation to steward our community initiatives. Under the Foundation, we will, through direct implementation and co-partnership, support an assortment of causes and institutions in multiple areas, within the defined framework of The Companies Act, 2013.

ENSURING BETTER SANITATION AND HYGIENE

The problem of water and sanitation in the world is considered one of the major global challenges, following its inclusion in the United Nation's (UN's) 17 new Sustainable Development Goals. A large proportion of the population in India does not have access to basic sanitation facilities. According to a recent World Bank Report, over 20% of communicable diseases are contacted due to unsafe water and lack of hygiene practices. Unsafe water is also the leading cause of diarrhoeal deaths in India. In view of this increasing awareness and as a leading player in the sanitaryware industry, we continued our participation in the larger nationwide movement regarding hygiene and sanitation.

Our HSIL Aap Ke Liye project undertook the construction of Community Water Centres (CWCs) in five villages. These CWCs are equipped with Reverse Osmosis (RO) technology with a capacity of 500 and 1,000 Litres per Hour (LPH). The villages are Pahlwasa (Rewari, Haryana), Naya Gaon and Rampura-2 (Alwar, Rajasthan), Rajpura and Daboda (Gurugram, Haryana).

We also supported Maheshwari Sabha Community Services Trust and Ankur Homes by providing them with sanitaryware products and faucets to help the community lead a healthier life.

We contributed towards project Swachh Vidyalaya (Clean India, Clean Schools). This programme includes the distribution of hygiene and cleanliness kits in schools and helps maintain cleanliness charts in primary schools.

ENHANCING SKILL DEVELOPMENT

For a developing economy like India, accelerated skill development is a priority. The Government of India's

Skill India programme underscores the urgency aptly. During the financial year, we supported multiple vocational training and skill enhancement programmes for upskilling youth. We initiated Kaushal Vridhi, a skill-enhancement programme, to impart skills to the villagers of Bahadurgarh (Jhajjar, Haryana) and Kaharani (Bhiwadi, Rajasthan) to enhance their employment opportunities.

Under our project Kushal Vikas, we established a skill development computer learning centre at Bahadurgarh (Jhajjar, Haryana). We are also contributing in enabling India's plumbing community through the Recognitions of Prior Learning (RPL) project. The programme provides training to improve the workmanship and earning potential of plumbers after evaluating their existing proficiency.

IMPROVING HEALTHCARE FACILITIES

Access to basic healthcare facilities is a fundamental right of mankind and we work towards raising the standard of healthcare facilities in the communities in which we operate.

We continued to support Swastha Sampada in Kaharani, Bahadurgarh, Bibinagar and Bhongir to provide basic healthcare facilities to villagers near these four production locations. During the year under review, we contributed to the construction of a pathology laboratory at Shri Ram Krishna Cancer Hospital in Deoband, Uttar Pradesh for early diagnosis and treatment of the disease.

WE CONDUCT OUR BUSINESS WITH A HOLISTIC VISION FOR THE COMMUNITY.

Dr. Rajendra Kumar Somany, Chairman and Managing Director

EMPOWERING WOMEN

HSIL has committed itself to promoting greater gender equality in line with the UN's Sustainable Development Goals. We believe in helping women become financially independent and uplifting their lives along with their families. With focused skill development programmes, we helped empower women in the communities where we operate.

Our Project Samarth helps women develop cutting and tailoring skills. Our objective is to involve more women in the programme in Bahadurgarh (Jhajjar, Haryana), thereby empowering them.

PROMOTING EDUCATION

Education is the principal catalyst of sustainable development. We have been participating in Government of India's literacy and education initiatives across communities for many years now. We conduct the literacy programme Prathamik Saksharata Kendra for villagers in Bahadurgarh. Besides this, vocational training and computer literacy form a part of our other focus areas.

DRIVING RURAL DEVELOPMENT PROGRAMMES

Road connectivity plays an important role in mainstreaming remote areas of a vast country like India. To facilitate access of opportunities, we widened the road between Raigiri and Chityal villages in Nalgonda district of Telangana. The widened road eased the gridlock and contributed towards ensuring better mobility in the region.

Despite shifting business dynamics and challenges, we will continue to reinforce our corporate citizenship initiatives, because they define our high ethical standards, commitment to leadership and excellence and our way of doing business sustainably.



Management Discussion and Analysis



Global economic dynamics are experiencing distinctive transformation over the last few years. This transformation is expected to lead to certain disruptions across the economies as conventional business practices are being challenged and new rules are being defined. This global transformation will also provide ample opportunities for agile and fleet-footed organisations who can continuously pace up their strategies for growth in highly competitive markets.



OUR DECISION TO RESTRUCTURE HSIL WILL LEAD TO SHARPER FOCUS ON INDIVIDUAL BUSINESSES AND ENABLE US TO BE MORE RESPONSIVE TO MARKET FORCES.

In light of unprecedented transformation, we, at HSIL, are recalibrating our strategy and approach, realigning our initiatives and striving to maintain and grow our market leadership across our existing businesses while continuing to explore newer synergies for expansion. We are banking on innovation and tomorrow-ready products to stay ahead of the curve, thereby ensuring that our customers continue to enjoy a world-class experience. We are also focusing our energies on expanding our consumer outreach and market penetration, further investing in upgrading our manufacturing capabilities as well as building teams who will lead us into the future.

Our decision to restructure HSIL will lead to sharper focus on individual businesses and enable us to be more responsive to market forces. We will create a greater level of alignment with current and evolving customer aspirations as well as streamline our manufacturing, supplychain and branding. All this will lead to better operating efficiencies and in turn help usher in growth and value creation in the long run.

We are enthused by the growth potential and rising consumer aspirations in India, along with its integration with not just the global economy, but also with trends and market movements. More importantly, the Indian economy has demonstrated resilience and reinforced its promise through a redefined growth map, in turn presenting unparallelled opportunities for domestic and global businesses.

Global Economic Review

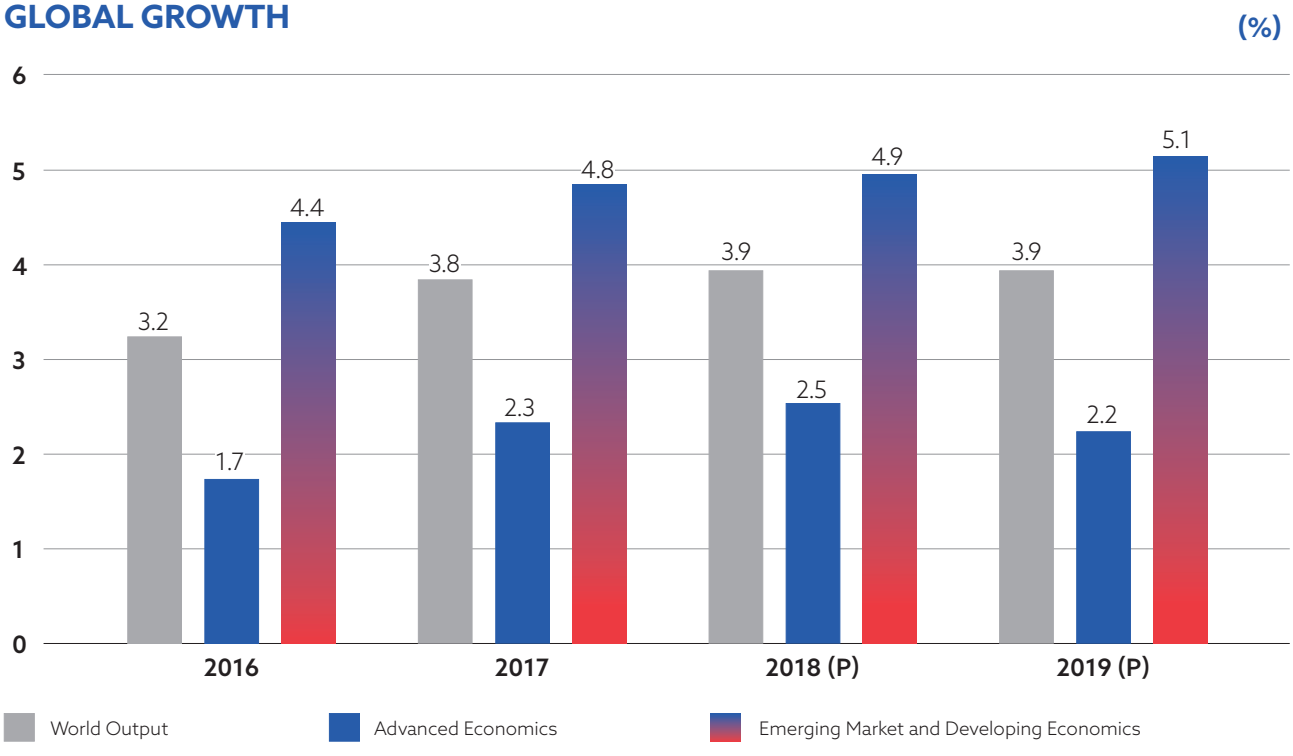
In the year 2017, the world economy grew at 3.8% and this growth was the fastest since 2011. The rise in investments and trade was supported by stable earnings performance and gradual tightening of monetary policies in advanced economies. The US economy grew 2.3% in 2017, up 80 basis points over 2016. Favourable monetary policy and tight labour markets further strengthened the US economy. In eurozone, economic growth was at a 10-year high of 2.5%, propelled by robust domestic demand and increased exports. China led the growth for Asia, growing fastest since 2015 at 6.9%, on back of encouraging export momentum (Source: IMF, World Economic Outlook & Eurostat).

OUTLOOK

The International Monetary Fund (IMF) raised global growth estimates for 2018 and 2019 by 0.2% over its October 2017 forecasts to 3.9% (Source: IMF, World Economic Outlook). According to the report, the prevailing global economic recovery offers opportunities to strengthen policies and reforms that secure the current upswing and raise medium-term growth forecasts. Going forward, there will be added focus on strengthening potential for a higher and an all-inclusive growth, improving the financial resilience to build a robust appetite for market risks and fostering international cooperation. Overall, the forecast is one of stability, even as certain markets will continue to grow faster than others.

OVERALL, THE FORECAST IS ONE OF STABILITY, EVEN AS CERTAIN MARKETS WILL CONTINUE TO GROW FASTER THAN OTHERS.

GLOBAL GROWTH

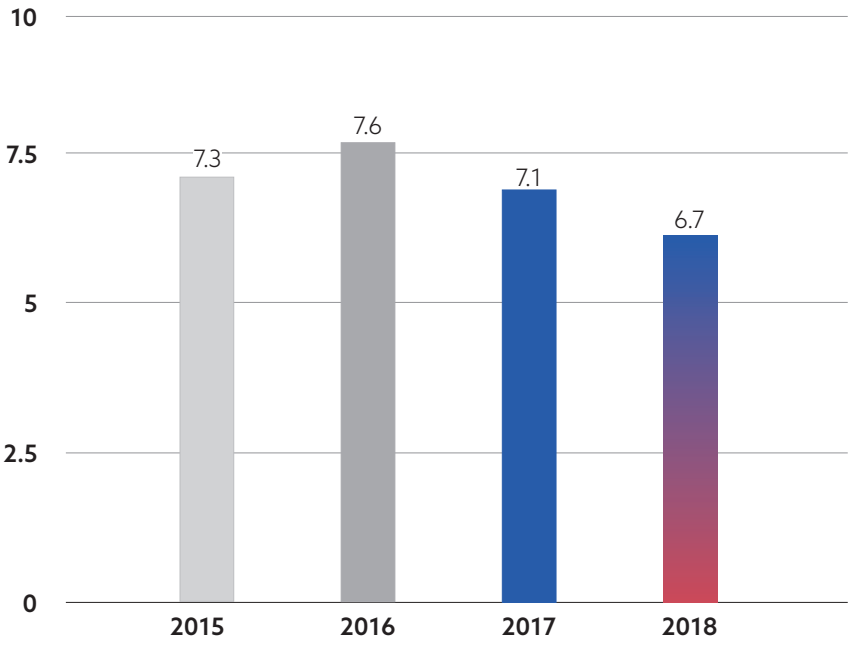


P: Projections | Source: International Monetary Fund (IMF)

Indian Economic Review

FY 2017-18 was a landmark year for the Indian economy as it reinforced the country's status as one of the fastest growing economies in the world. More importantly, the resilience and fundamental strength of the economy got underscored, as it clocked a strong 6.7% growth despite multiple far-reaching reforms including demonetisation and initial impact of Goods and Services Tax (GST) implementation. The strong growth (albeit marginally lower than 2016-17) was underpinned by private consumption across semi-urban and rural areas, infrastructure spending and increased public-private investments. The relaxation of Foreign Direct Investment (FDI) limits in certain industries, as well as the uplift that exports got as a result of the global recovery, provided a further tailwind (Source: Second Advance Estimate, CSO).

INDIA'S GROSS DOMESTIC PRODUCT (GDP) (%)



India's Index of Industrial Production (IIP) slowed to 4.3% in FY 2017-18 from 4.6% in FY 2016-17, largely due to a fall in capital goods production and weak mining activity. Despite this, the overall economic activity remained strong (Source: CSO). Moody's Investor Services also raised India's sovereign rating during the year, for the first time in 14 years, changing their outlook from stable to positive (Source: Moodys.com).

This performance also resulted in improved macro fundamentals, with the fiscal deficit at around 3.53% of GDP (~ ₹5.9 lakh crore) for FY 2017-18, largely in line with the Government's revised target of 3.5%. The aim is to bring this down to 3.3% in 2018-19 (Source: Controller General of Accounts).

The Reserve Bank of India (RBI) adopted an accommodative policy stance in FY 2017-18 and kept key rates largely unchanged. Retail inflation as measured by Consumer Price Index (CPI) fell to 4.28% in March 2018 (Source: Bloomberg). Other factors such as stability in food prices further contributed towards controlling inflation. This kept the consumer sentiment high and the wheels of the economy well-oiled.

India rolled out its biggest indirect tax reform in decades - the GST. GST is expected to unite the fragmented Indian market, create a level playing field, broaden tax net and foster transparency in the overall tax structure. It also intends to provide greater opportunities for efficiency to prevail in the marketplace and facilitate shift of the business from unorganised to organised sector. The trickle-down effect of GST is expected to result in efficient businesses, lower logistical hassles and growth of the overall economy.

India: Growth to continue

The growth momentum for India is expected to continue over the foreseeable future on the back of robust demand. The policy initiatives across sectors that strengthen fundamentals and quality of life – agriculture, rural economy, education and infrastructure – are all expected to start yielding results. In addition, focus on urbanisation, financial inclusion, digital economy, etc. are all expected to create greater opportunities for accelerated economic expansion.

WHAT'S DRIVING CONSUMER DEMAND IN INDIA?

The Indian economy is experiencing healthy consumer-demand led growth. Two successive years of good monsoon, a young population and rising urbanisation, along with expanding middle-class are macro growth drivers. Over the last few years, the Government of India, too, has triggered multiple enablers to bolster consumption. Added spending on social schemes, continued thrust on rural infrastructure projects, hike in minimum support prices, implementation of the 7th Pay Commission and the One Rank One Pension scheme have led to higher disposable income and consumption.

Substantial investments in infrastructure will continue to propel India's growth in the years to come. To achieve sustainable, equitable and inclusive growth, the Government is focusing on building social and physical infrastructure across transportation, sanitation, water, healthcare, energy, education and skill development areas. The 'Housing for All' and rural electrification initiatives are just two examples of how this is being driven from the ground to benefit everyone at the bottom of the pyramid. According to Boston Consulting Group, India is slated to become the world's third largest consumer economy by 2025.

OUTLOOK

The Government of India has undertaken several reforms for promoting inclusive growth, improving business climate, widening tax base and addressing indigenous challenges for the Indian economy. These reforms are driving structural changes and taking the country into a higher and sustainable growth orbit. The impact of these initiatives have already begun to show, with the improvement of India's ranking in the World Bank's Ease of Doing Business Index from 130 in 2017 to 100 in 2018 (Source: firstpost.com). The medium and long-term outlook, too, remains promising.

POLICY INITIATIVES SHAPING HSIL'S STRATEGY

HSIL, with its comprehensive national footprint, strong brand equity, superior quality products across a wide price spectrum and its manufacturing capabilities is well-positioned to benefit from strategic national policy initiatives currently underway. Some of these include:

Formalisation of the economy

The increasing formalisation of the Indian economy is estimated to reduce the number of cash transactions and enhance transparency, which will favour organised players across industries in the long run.

Smart Cities Mission

India is currently developing 100 smart cities at a total project cost exceeding ₹2,000 billion (Source: smartcities.gov.in). This is likely to bolster consumption of products in the building materials and home interiors space. These projects are gathering traction as multiple funding sources such as Public Private Partnership (PPP), municipal bonds and Value Capture Financing (VCF) have been leveraged to fund the mission (Source: Smartnet).

Real estate reforms

'Housing for All' by 2022 and the 'Pradhan Mantri Awaas Yojana' initiatives are aimed at democratising access to affordable housing and the credit needed for it. The implementation of the Real Estate (Regulation and Development) Act (RERA), on the other hand, will improve transparency in the real estate sector and lead to timely completion of ongoing construction projects. This reform is expected to increase homebuyers' confidence in the developers and strengthen housing demand, leading to augmentation of the building and home improvement segment.

Shift in market share from unorganised to organised players in the home decor segment

The GST regime will help organised players in the consumer goods sector to gain market share from unorganised players, according to analysts, as the price differential of products is likely to reduce, while making tax evasion incrementally difficult and increasing compliance-related reporting requirements.

Swachh Bharat Mission

Launched in 2014, the Mission drives cleanliness and aims to make India 'open defecation free' by the end of 2019. This project continues to enhance awareness about the benefits of sanitation and has led to higher demand for sanitaryware products (including faucets) across the nation, thereby expanding the overall market size and target population.

The World of HSIL



HSIL has, since inception, set a track record of leading the industry in terms of product development and diversification. We aspire to be an integrated building material player providing a wide range of home solutions and, in sync with this strategy, we are constantly exploring newer categories to be present in.

HSIL has been prompt in understanding and responding to emerging trends and evolving consumer aspirations, which have been swiftly imbibed into the Company strategy, propelling continuous growth and sustained market leadership. Today, HSIL has four broad business segments namely, Building Products, Consumer Products, Retail and Packaging Products. Each of these businesses is a growth engine and thus, with the restructuring underway, the Company is designed for better focus, improved competitiveness and operational efficiencies of respective businesses.

Building Products Division



INDUSTRY OVERVIEW

Sanitaryware

The size of India's sanitaryware industry is estimated at ₹4,400 crore, with unorganised players comprising nearly 40% of the market. As per unconfirmed industry sources, the sector is projected to grow at a Compounded Annual Growth Rate (CAGR) of around 8-10% over FY 2017-20 given the presence of multiple growth enablers.

Faucets

The Indian faucets industry is currently estimated at ₹8,000 crore with expectation of market growing at a CAGR of 13-15% over FY 2017-20 (unconfirmed industry sources). As per industry estimates, unorganised players cater to about 50% of the Indian faucets market.

Pipes

The market size of India's plastic pipes industry stands at around ₹30,000 crore and is expected to grow at a CAGR of 14%. Within this, the market size of plastic pipes business catering to plumbing and sanitation in the building and construction industry is estimated at ₹8,500 crore. Unorganised players represent 35-40% of the domestic plastic pipes industry and are more prominent in the irrigation and plumbing sectors (as per unconfirmed industry sources).

The sanitaryware, faucets and pipes segments are estimated to post favourable growth backed by proactive government policies for higher sanitation levels, favourable demographic and economic trends and development of urban infrastructure.

GROWTH ENABLERS

Growing disposable income

India's middle-class population is likely to double between FY 2016-26, with the working-age group forming



64% of the total population by 2020. The favourable demographics will strengthen disposable income and consequently bolster demand for discretionary products. Increasing number of consumers now perceive premium bathroom products, home décor and furnishings as a style statement. As the prosperity index increases in Tier II towns, the demand for superior and premium products from these geographies will attain sizeable scale.

Growth in retailing

Indian consumers prefer to focus on lifestyle considerations and the need to 'keep pace' than on the need for functional necessities, especially in categories such as consumer durables and bathroom fittings. The level of involvement of women and family in bathroom design and product selection has increased significantly. As a result, consumers are looking to use digital tools at point of sale to help them understand and experience products in an engaging atmosphere.This has resulted in increased upgradation of retail shops from just hardware stores to expert stores with trained staff.

Bathroom is becoming 'My Space'

In recent years, a profound shift has taken place in the bathroom category. Bathrooms have evolved, from a functional space to an aesthetically rich form of experience and self-expression; as a result, there is a far higher consumer involvement in selection of bathroom products. The category has moved from a commodity to a more advanced and highly differentiated offering. Consumers are also looking at creating a spa-like experience at home to make their bathrooms a seamless extension of their lifestyle.

Vast opportunity in the replacement market

The replacement demand is projected to grow at a steady pace, driven by renovations and bathroom upgradation aligned to emerging trends. Rising awareness of benefits of plastic pipes compared to Galvanised Iron (GI) and Ductile Iron (DI) pipes is fuelling its demand, especially for Chlorinated Polyvinyl Chloride (CPVC) and Unplasticized Polyvinyl Chloride (UPVC) in the premium category. Thus, there is significant headroom for growth of the replacement market in the building products industry.

Urban infrastructure

Construction expenditure on bolstering infrastructure is estimated at ~₹5.97 lakh crore over FY 2018-19, driven primarily by programmes sponsored by state governments and the Government of India. Andhra Pradesh, Gujarat, Karnataka, Rajasthan, Telangana and Uttar Pradesh are attracting investments in Urban Water Supply & Sanitation (WSS) projects and thus will be at the forefront of emerging demand for pipes.

BUSINESS OVERVIEW

HSIL maintained its leadership position in the Indian Sanitaryware industry and continued to be one of the leading players in the country's faucets space. The Building Products Division is the flagship vertical of the Company, and comprises of sanitaryware, faucets, wellness products and plastic pipes and fittings.

HSIL has brands across the entire value chain, in the mass, premium, super-premium and luxury segments. The Company, through its vast range of products across these segments, addresses the bathroom needs of consumers.

Recently, HSIL ventured into the plastic pipes and fittings business, comprising PVC, CPVC, UPVC and SWR, to emerge as a comprehensive bathroom solutions provider. It manufactures plastic pipes and fittings, suitable for potable water transportation, water harvesting, underground drainage and sanitation applications, primarily for the building construction segment. Widespread distribution network with decades strong connect with dealers and distributors, along with being a trusted brand name in related bathroom products such as sanitaryware and faucets, will be an added advantage for us.

RECENTLY, HSIL VENTURED INTO THE PLASTIC PIPES AND FITTINGS BUSINESS, COMPRISING PVC, CPVC, UPVC AND SWR, TO EMERGE AS A COMPREHENSIVE BATHROOM SOLUTIONS PROVIDER.

Introduced the new super-premium brand 'ALCHYMI' curated by Manish Malhotra in Hindware Design Studio using our Flosense Technology.

KEY HIGHLIGHTS, FY 2017-18

Sanitaryware and faucets

- Product offerings expanded to include automated flushing in QUEO series, voice-activated showering and rim-free technology in flushing
- Launched 20 new product ranges in sanitaryware and 10 in faucets to increase our presence across the price spectrum
- Enhanced brand visibility by adding 100+ brand stores across the country, bringing total number of brand stores to 310+
- Redefined Hindware's new brand identity around 'Start with the expert' and launched seven HW pillars - Expert Helpline, DreamBath App 2.0, DreamBath Visualisation Book, Hindware Design Studio, Expert website, Expert stores and In-store experts to help our consumers build their dream bathrooms

Kaharani, Rajasthan faucet plant has achieved 90% capacity utilisation in the last quarter of FY 2017-18.

OUTLOOK

The Building Products Division has achieved reasonable scale and offers a comprehensive product suite across its sanitaryware and faucets businesses. These segments will continue to grow by staying customer-centric and launching best-in-class innovative products. It has been our constant endeavour to build products that address the latent and emerging requirements of both existing and potential customers.

HSIL will continue to invest in innovation and is looking to adopt the most contemporary technologies, such as Artificial Intelligence assisted products, to revolutionise the bathing experience.

After having commenced trial production of pipes during the year, the focus will now be on building a pan-India presence by organising various programmes to engage with the influencer communities of plumbing consultants and contractors.

We look forward to further expand our reach across online as well as offline mediums and simultaneously aid the process of productivity improvement across all our assets – plants, employees and distribution partners.



Pipes and fittings

- Launched the pipes and fittings brand 'TRUFLO - by hindware'
- Commenced trial production at Medak, Telangana facility
- Conducted meets for plumbing consultants and independent contractors to generate product portfolio awareness as well as imparted training to them by offering programmes certified by the Indian Plumbing Skills Council (IPSC) and Indian Plumbing Council (IPC)

350+

Plastic pipes and fittings (SKU) licensed under the Bureau of Indian Standards (BIS)

First pipes manufacturing plant in India to be awarded Platinum rating by Indian Green Building Council (IGBC).

Agreement with ~ USD 10 Billion Japanese conglomerate, Sekisui Chemical Co. Ltd, for supply of National Sanitation Foundation (NSF) certified CPVC compound, Durastream, which enables 'TRUFLO' to make world-class CPVC pipes and fittings in India.

Consumer Products Division

INDUSTRY OVERVIEW

India's consumer durables market recorded a robust growth of 16.3% CAGR during FY 2012-17 and reached ₹1 lakh crore (USD 15.5 billion) in FY 2016-17 (Source: IBEF estimates). It is expected to increase to USD 46.5 billion by 2020. The country is emerging as the world's largest middle-class consumer market and is expected to be the fifth largest consumer durables market in the world by 2025. Currently, urban India contributes over 65% to the total revenue of the sector, while rural India accounts for the rest. Consumers are upgrading their home appliances at a fast pace and brands too have begun to upgrade and innovate products to meet the increasing demand of the market. The industry is slated for sustained growth over long term owing to favourable consumer demographics, availability of easy finance schemes, improved power situation, overall growth in the economy and infrastructure development across the nation, especially in semi-urban areas.

GROWTH ENABLERS

Evolving consumer demands

Changing consumer aspirations, higher disposable income and improving lifestyles are key demand drivers for consumer durables products market in India. Manufacturers are capitalising the requirements of India's rising middle-class, offering a range of products at multiple price points, to cater to the entire spectrum of demand.

Growing per capita disposable income

India's per capita personal disposable income increased at 9.4% CAGR from ₹82,408 in FY 2012-13 to ₹128,894 in FY 2017-18 and is consistently driving India's consumption (Source: CARE report). Rural disposable income is also expected to show an upward trend as a result of various schemes implemented by the States and the Central Government.

Adopting energy-efficient technology

Consumer durables product manufacturers are focusing on delivering energy-efficient products to attract consumers. These products offer significant savings in electricity bills, a key benefit for users. Moreover, incorporation of Internet of Things (IoT) technology in consumer electricals further enhances convenience and improves consumer experience.

Rising premiumisation across product categories

The exposure to global lifestyle has created a shift in perception among consumers who now demand superior aesthetics and top-end features in products. This has led to a sizeable appetite for premium products in even the Tier-II and Tier-III markets. As a result, manufacturers are turning towards premiumisation to add value and compete effectively in a market driven by discerning consumers.

Growing Internet usage

India's e-commerce market is expected to cross USD 200 billion by the end of 2026 from USD 38.5 billion in 2017 as the number of internet-savvy population and online shoppers grow (Source: ibef.org). Consumer durables companies are enhancing their exposure to online sales, in order to scale their businesses and grow market share.

Increasing use of digital payment options and plastic money

The Government of India's focus on achieving a 'less cash' economy has resulted in enhanced use of digital payment modes and plastic money. Organisations across industries are enabling these new-age payment options by providing special offers and discounts on their utilisation. Besides, year-round discounts on e-commerce sites, reduced tax rates and easy payment gateways available at lower costs are facilitating this trend.

Augmented organised retail

The growth of organised retail is likely to have a positive impact on the consumer durables industry. Rising prominence of organised retailing will streamline the supply chain and facilitate further demand for high-end and trusted brands.





BUSINESS OVERVIEW

With an aim to leverage its brand equity and entrenched distribution network, HSIL forayed into the consumer products business to participate in the growth story and has well succeeded in generating good volumes and reach out to a newer target audience.

We launched a basket of path-breaking products, namely kitchen appliances (including chimneys, hobs, ovens, cooktops, dishwashers and kitchen sinks), vents, water heaters, water purifiers, air coolers and air purifiers, by partnering with leading global brands, ensuring an asset-light business model.

Our focus on combining premium designs, innovation and cutting-edge technology has helped us to develop a modern and reliable range of products that has allowed us to make rapid strides in the business. This strategy has helped us to be amongst the top three leading players in the kitchen chimney segment and be a part of key players in the premium water heaters and air coolers market. Our purification products (air and water purifiers) are also enjoying consumer popularity. HSIL is leveraging its deep understanding of consumer trends and responding with an array of contemporary home comfort products.

OUR FOCUS ON COMBINING PREMIUM DESIGNS, INNOVATION AND CUTTING-EDGE TECHNOLOGY HAS HELPED US TO DEVELOP A MODERN AND RELIABLE RANGE OF PRODUCTS THAT HAS ALLOWED US TO MAKE RAPID STRIDES IN THE BUSINESS.



KEY HIGHLIGHTS, FY 2017-18

- Maintained stupendous growth momentum with revenue of ₹208 crore
- Expanded distribution and retailer network to 575+ and 8500+ respectively, for deeper reach into the market and increased penetration
- Launched 40+ kitchen appliances products, 8 air coolers, 4 water purifiers and 7 water heaters
- Became one of the top three players in India's kitchen chimney segment and launched 22 products in the category to reinforce market position
- Gained popularity for kitchen sinks within the first year of its launch
- Received 'Asia's Most Promising Brand' Award 2017 from the World Consulting and Research Corporation (WCRC) for Moonbow

OUTLOOK

HSIL proposes to capitalise on the ongoing shift in water heaters and air coolers categories from the unorganised to the organised sector as well as aspires to be among the top three players in each of its product categories.

In the coming years, the Consumer Products Business will launch chimneys and water purifier products, embedded with IoT technology. Having demonstrated remarkable growth in the kitchen appliances category over last three years, we look forward to being a major player in the coming years, with an aim of building strong brands, offering differentiated value propositions and further expanding our retail distribution network.

Retail Division



INDUSTRY OVERVIEW

India's organised furniture market clocked ₹45,470 crore in 2017 and grew at a CAGR of 10.9% between 2012 and 2017, according to Euromonitor International. India's furniture industry entered the online space few years back and since then has been expanding, owing to growing internet penetration and consumer preference for online shopping.
The entry of large global players in India is also expected to help grow the overall market for readymade furniture – both in brick-and-mortar retail and online. Also, an increasing number of domestic manufacturers are entering into tie ups with foreign manufacturers in order to improve product design and quality, which will further contribute to the growth of the market.

GROWTH ENABLERS

Expansion in real estate industry

Growing transparency (post RERA implementation) has led to increased investor interest in the real estate sector, with FDI on the rise. The thrust in affordable housing is also contributing to this growth. Healthy prospects of both residential and office spaces augur well for India's furniture sector.

Enhanced consumer interest

With evolving preferences and lifestyles and growing disposable income, the concept of home décor is transforming. Significant numbers of home owners are looking to renovate home interiors as well as exteriors, fuelling replacement market demand. Thus, the demand for home décor products is on the rise.

Increasing urbanisation

Urban culture encourages individual lifestyle, thereby positively impacting the fashion, jewellery and home décor industries. India's home décor market is likely to witness a surge in demand in the near future with increased migration to urban India.

Strong prospects for tourism and hospitality

Increasing focus of states on boosting tourism revenues will act as a catalyst for India's hospitality sector, leading to higher furniture demand and benefiting the larger, organised players in the sector.

GROWING TRANSPARENCY (POST RERA IMPLEMENTATION) HAS LED TO INCREASED INVESTOR INTEREST IN THE REAL ESTATE SECTOR, WITH FDI ON THE RISE.



BUSINESS OVERVIEW

HSIL operates 14 large format retail stores across India, under its brand EVOK, with an average size of 8,500 sq.ft., which showcase over 20,000 contemporary products ranging from home furniture, soft furnishings, home décor and accessories and modular kitchens to modular wardrobes. The vision of EVOK is 'to be the first-choice partner of customers aspiring for Value for Style home interior solutions'. The brand operates through retail stores, e-commerce platforms including own online portal www.evok.in, and franchisee modules. Through its projects division, the brand partners with architects, interior designers, builders and companies, leveraging the group networks and relationships for retail, institutional

KEY HIGHLIGHTS, FY 2017-18

- The Company opened its store at Vadodara to capture the burgeoning market
- Achieved growth in sales through e-commerce business
- Redefined merchandising and marketing strategy in line with evolving consumer preferences through methodical planning
- Enhanced consumer experience through stores revamp and amplified brand awareness through concentrated and all-around marketing initiatives
- Enriched product portfolio with distinctive differentiation in offerings

OUTLOOK

EVOK is leveraging HSIL's core strengths in understanding diverse consumer trends, trade behaviour, retail distribution network, global sourcing and cost-effective supply chain management to enhance its scale of operations. The Company has prepared a strategic roadmap to improve sourcing and extend offers that will translate into both top-and bottom-line growth for the business. Going forward, the Company plans to deepen its footprint by consistently increasing its online presence and opening new franchisee stores.

20,000+

Contemporary products showcased in EVOK stores

Packaging Products Division

INDUSTRY OVERVIEW

Glass

The world glass industry generates annual revenue of USD 75 billion, with leading exporters being the US, France, Japan, China, India and Germany. The most common products manufactured in the global glass industry are flat glass, glass containers, fibreglass and specialty products such as lenses, optic fibres, mirrors, glassware and TV tubes.

The market size of the glass industry in India was estimated at around ₹225 billion in 2012 and the share of organised market at about 55%, providing good upside potential. Major growth drivers for the country's glass industry are government schemes such as 'Housing for All'; RERA; growth in automobile production, increase in demand for energy-efficient product; increase in packaging requirements across alcohol, food and beverages and pharmaceuticals sector, etc. (Source: CARE report)

Glass container is a preferred packaging medium as it does not react with the ingredients and ensures preservation of taste and nutrition for a longer duration. The alcohol beverage industry also prefers glass bottles for packaging beverages such as beer, spirits and wines, as glass preserves the aroma, flavour and strength of the beverage. The pharmaceutical industry too, continues to prefer glass packaging due to its unique ability to maintain the chemical composition and preserve the quality and safety of the products. Furthermore, the per capita consumption of container glass in India is at 1.8 kg, much lower compared to other nations. This will further contribute to growth of glass packaging. Given the sensitivity around environmental footprint and bio-degradability, the 100% recyclable nature of glass adds to its qualities as a preferred packaging medium.

Polyethylene Terephthalate (PET)

The use of PET products has grown steadily worldwide, as PET is highly recyclable, compared to other plastic materials. PET's durability and flexibility continue to drive its global demand. The world's PET packaging market is expected to grow at a CAGR of 4.03% over FY 2018-23; and is expected to reach USD 69.7 billion. There is a growing demand for PET in packaging of beverages and fruit juices. (Source: Business Wire).

Security caps and closures

The market size of counterfeit-resistant caps and closures in emerging economies is expected to witness high growth to curb influx of spurious products, which adversely affect genuine manufacturers' revenues and cause collateral damage to their brand image.

Currently the alcohol beverage industry in developing countries is driving the demand, but going forward, customer base may be expanded to include other industries such as pharmaceuticals, edible oil and lubricants, etc.

GROWTH ENABLERS

Easing of ban on liquor shops on state and national highways

Hon'ble Supreme Court of India's order, issued in December 2016, imposing ban on sale of liquor within 500 metres of national and state highways adversely affected the liquor business. However, the Hon'ble Supreme Court later clarified in August 2017 that its original order to ban sale in liquor shops and bars within 500 metres of highways was aimed at vendors along roads connecting cities and not stretches that fall inside the city or town areas governed by municipal bodies. With the situation normalising after clarification, liquor sales (and hence sales of liquor bottles) are likely to improve.

Glass bottles to continue dominating alcohol packaging

Glass bottles remain the preferred packaging material for alcohol makers, given their recyclability. Both consumers and alcohol makers associate glass bottles with high-quality and purity of taste, which works in favour of this segment. (Source: mordorintelligence.com)

Increasing application of glass container

Going forward, glass container will find more usage across various industry verticals, especially in the ready-to-drink beverages segment. As many State Governments are discouraging the use of plastic packaging due to environmental concerns, the glass containers market seems to be in a better position to grow as a preferred alternative.

Sustained PET growth

PET plastic bottles are a popular and economical choice for packaging soft drinks, fruit juices, bottled water and other Fast-moving Consumer Good (FMCG) products. Growing scale and enhanced product diversification of industries using PET packaging is consistently driving demand.



Pharmaceutical packaging market

India's pharmaceutical packaging market is expected to reach USD 3.57 billion at 9.2% CAGR during FY 2018-23. Currently, it constitutes approximately 4% of the global packaging industry and is expected to grow owing to healthy prospects of the organised retail and e-commerce packaging sector. Rising pharmaceutical exports from India will also contribute to the growth of the pharmaceutical packaging segment.
(Source: mordorintelligence.com)

Tackling the menace of counterfeit goods

Industries such as beverage, liquor, pharma, edible oil and lubricant, across developing economies in the world, are facing the growing menace of counterfeiting of their products eating into their sales and adversely affecting their brand equity. These industries are looking for counterfeit-resistant security caps and closures with enhanced features such as improved sealing with ease of opening and closing and multiple design possibilities at reasonable price points. Consumer-friendly packaging and security innovation features of such security caps and closures makes identification of a genuine product easy.

BUSINESS OVERVIEW

HSIL is one of India's significant manufacturers of glass containers. The Packaging Products Division comprises three businesses – Glass containers, including specially coloured glass bottles, PET and counterfeit-resistant security caps and closures.

Our constant thrust on product innovation, best-in-class technology and customer centricity has helped us maintain industry prominence in the glass container packaging segment. The glass containers and PET bottles are available under brands AGI and GP, respectively. Our newly launched Security caps and closure products are available under brand AGI Clozure.

HSIL has an installed capacity of 1,600 tonnes per day for glass containers across two manufacturing plants (Sanathnagar and Bhongir in Telangana). Spurt in demand has led to restarting of Furnace III, shutdown since August 2012, in last quarter of FY 2017-18. We offer customised products and solutions in PET through three state-of-the-art facilities (annual capacity: 10,166 tonnes) in Selaqui (Uttarakhand), Medak (Telangana) and Dharwad (Karnataka). In order to enhance capacity utilisation and backward linkage, we have started manufacturing seat covers and cisterns for our Building Products Division.

HSIL commenced commercial production of first phase of security caps and closures in Medak, Telangana in the last quarter of FY 2017-18. These security caps and closures help prevent the counterfeiting of liquor and pharmaceuticals; and are an integral part of the packaging industry. HSIL offers unique patented technology and security features, which will drive demand for these products.

COMMENCED PRODUCTION OF FIRST PHASE OF SECURITY CAPS AND CLOSURE IN JANUARY 2018.

KEY HIGHLIGHTS, FY 2017-18

Glass containers

- Despite demonetisation and GST implementation causing temporary disruption in the supply chain, sales (net of excise/ GST) of glass business increased over the previous financial year
- Restarted Furnace III, anticipating rise in demand of glass containers
- Developed 63 new designs during the year
- Expanded the use of Narrow Neck Press and Blow (NNPB) technology, thereby reducing the bottle weight by 10-40%
- Proactive marketing initiatives helped add 135 new customers spread across various sectors
- Serving marquee clientele for decades with over 93% of the business generated from repeat customers, a consistent measure of client satisfaction and quality performance

PET

- Augmented capacity by starting 3rd manufacturing facility at Medak, Telangana
- Started manufacturing of plastic products such as seat covers and cisterns, among others, for the sanitaryware business
- Developed 6 new products in PET business during the year

Security caps and closures

- Forayed into this business with patented (applied) product range, unleashing new domestic as well as export markets
- Commenced production of first phase of security caps and closures in January 2018

OUTLOOK

The growing product range and a variety of downstream industries will drive the growth of Indian packaging industry. In terms of packaging material, glass container and PET will be among major share gainers. HSIL aspires to consistently invest in product innovation to address a larger share of client requirements. Going forward, we will focus on optimising existing capacities and driving cost efficiencies across our plants.

For security caps and closures, we are looking to expand the annual capacity to 1 billion pieces by March 2019 to tap the growing demand for this niche product. Given our best-in-class technology, patented products and the limited competitive intensity, we are likely to achieve higher margins from the security caps and closure business as the volume gains momentum.



Analysis of Financial Statements

FINANCIAL HIGHLIGHTS

(₹ in lakh)

BALANCE SHEET	2013-14	2014-15	2015-16 #	2016-17 #	2017-18 #
Equity Share Capital	1,320.97	1,445.97	1,445.97	1,445.97	1,445.97
Reserve and Surplus	47,414.50	54,358.03	61,376.91	68,451.04	72,585.11
Share Premium	21,144.82	45,497.87	45,497.87	45,497.87	45,497.87
Business Reconstruction Reserve	42,267.37	42,267.37	30,419.59	29,608.83	29,398.19
Loan Fund *	1,08,085.54	76,454.52	64,157.30	74,099.96	1,09,562.20
Deferred Tax Liability	11,540.41	10,449.86	20,759.32	20,768.33	21,154.21
Other Long Term Liabilities (excluding trade deposits)	201.02	186.57	82.74	1,216.74	897.86
Long Term Provision	422.11	724.52	781.14	957.37	1,021.38
Total	**2,32,396.74**	**2,31,384.71**	**2,24,520.84**	**2,42,046.11**	**2,81,562.79**
Net Block (tangible and intangible including goodwill)	1,48,723.11	1,55,953.69	1,51,374.35	1,52,327.77	1,68,106.85
Capital Work-in-Progress (including capital advances)	15,042.62	4,542.08	8,197.36	20,726.86	23,781.09
Investments	13,274.00	14,448.58	3,261.91	3,503.53	3,455.34
Other non-current assets (including current tax)	2,038.08	1,734.92	7,839.60	11,624.82	9,343.11
Current Assets					
Inventories	40,573.00	43,571.43	49,005.54	49,249.68	56,429.93
Sundry Debtors	40,937.84	40,674.66	38,757.49	39,717.19	51,408.55
Cash and Bank	2,746.90	2,096.46	1,882.98	3,281.62	5,975.07
Other Current Assets	4,042.95	4,862.56	5,050.34	6,774.95	10,990.76
Current Liabilities					
Trade payables	13,710.00	12,850.89	15,360.23	19,660.37	21,736.61
Other Current Liabilities (other than current maturities of long term borrowings)	18,508.85	19,592.92	25,168.69	25,201.61	25,865.74
Short-term provisions	2,762.91	4,055.86	319.81	298.33	325.56
Net Current Assets (Working Capital)	**53,318.93**	**54,705.44**	**53,847.62**	**53,863.13**	**76,876.40**
Total	**2,32,396.74**	**2,31,384.71**	**2,24,520.84**	**2,42,046.11**	**2,81,562.79**

* Loan Fund = Long Term Borrowing + Short Term Borrowing + Trade Deposits + Current Maturities of long term borrowings - Current Investment in Mutual Funds - Fixed Deposit Receipts

Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. Further these figures are including the figures of demerged undertaking of subsidiary Hindware Home Retail Private Limited. Hence these numbers are not comparable with previous years. Figures of the previous year 2016-17 have been regrouped, wherever necessary, to make them comparable with the year 2017-18.

(₹ in lakh)

STATEMENT OF PROFIT & LOSS	2013-14	2014-15	2015-16 #	2016-17 #	2017-18 #
Gross Sales	1,85,571.06	1,96,502.76	2,05,489.91	2,19,803.48	2,25,284.77
Less: Excise Duty	13,887.77	14,413.80	14,974.01	15,492.15	3,500.03
Net Sales	1,71,683.29	1,82,088.96	1,90,515.90	2,04,311.33	2,21,784.74
Other Income	3,338.22	3,974.36	6,853.58	3,641.40	4,137.82
Total Income	**1,75,021.51**	**1,86,063.32**	**1,97,369.48**	**2,07,952.73**	**2,25,922.56**
Purchase of Traded Goods	28,867.21	32,814.14	4,0551.39	43,940.06	54,683.70
Power and Fuel	37,701.70	28,012.20	23,248.41	24,528.80	28,097.13
Raw Material consumed, Manufacturing,Administrative and Other Expenses (including change in inventories)	64,320.34	71,026.89	75,082.21	81,466.12	84,044.39
Employee Cost	17,020.54	19,705.19	24,744.64	28,633.03	30,887.11
Total Expenses	**1,47,909.79**	**1,51,558.42**	**1,63,626.65**	**1,78,568.01**	**1,97,712.33**
EBITDA	27,111.72	34,504.90	33,742.83	29,384.72	28,210.23
Depreciation and Amortisation	10,570.48	11,925.11	11,443.31	11,083.31	11,403.99
EBIT	16,541.24	22,579.79	22,299.52	18,301.41	16,806.24
Interest	6,789.43	7,355.15	4,104.72	3,335.86	5,575.92
PBT before Exceptional Items	9,751.81	15,224.64	18,194.80	14,965.55	11,230.32
Exceptional Items	-	-	-	-	(654.15)
Profit before tax	9,751.81	15,224.64	18,194.80	14,965.55	10,576.17
Income Tax	4,249.81	5,676.15	3351.62	4,889.31	2,788.64
Deferred Tax	(117.97)	(866.48)	3,215.06	(224.84)	311.45
Profit After Tax	5,619.97	10,414.97	11,628.12	10,301.08	7,476.08
Cash Profit	16,072.48	21,473.60	26,286.49	21,159.55	19,191.52

On 17 October 2017, one of the warehouses relating to the Retail Business Division had fire which resulted in a loss of ₹ 6.54 crore and has been duly provided in the books of accounts in the quarter ending 31 December 2017 and year ended 31 March 2018. Insurance claims relating to the loss has been filed and the settlement amounts of insurance claims as received would be accounted for on receipt.

RATIO ANALYSIS

(₹ in lakh)

KEY PERFORMANCE INDICATORS	2013-14	2014-15	2015-16 #	2016-17 #	2017-18 #
Networth *	69,880.29	1,01,301.87	1,08,320.75	1,15,394.88	1,19,528.95
Capital Employed **	2,31,773.61	2,30,473.62	2,23,656.96	2,39,872.00	2,79,643.55
Average Capital Employed	2,23,669.91	2,31,123.62	2,27,065.29	2,31,764.48	2,59,757.78
Average Loan Funds	1,01,862.60	92,270.03	70,305.91	69,128.63	91,831.08
Cash Profit	16,072.48	21,473.60	26,286.49	21,159.55	19,191.52
Net Domestic Turnover	1,62,155.96	1,68,540.58	1,76,676.41	1,90,383.22	2,07,303.99
Export Turnover	9,527.33	13,548.38	13,839.49	13,928.11	14,480.75
Dividend (%)	150.00	175.00	200.00	200.00	200.00
Market Price - (₹) (End of year at NSE)	130.85	450.60	278.30	349.85	371.20
Total Dividend (including Distribution Dividend Tax)	2,318.13	3,036.30	3,480.57	3,480.57	3,486.29
Retained Earnings	3,301.84	7,378.67	8,147.55	6,820.51	3,989.79

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

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

Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. Return on networth and return on average capital employed of these years are computed on the basis of figures as per Ind AS. Further these figures are including the figures of demerged undertaking of subsidiary Hindware Home Retail Private Limited. Hence these numbers are not comparable with previous years. Figures of the previous year 2016-17 have been regrouped, wherever necessary, to make them comparable with the year 2017-18.

BALANCE SHEET RATIOS	2013-14	2014-15	2015-16 #	2016-17 #	2017-18 #
Return on Networth (%)	8.04	10.28	10.73	8.93	6.25
Return on Average Capital Employed (%)	7.40	9.77	9.82	7.90	6.47
Debt Equity Ratio (Net)	1.55	0.75	0.59	0.64	0.92
Debtors Cycle (Days)	81	76	69	66	83
Inventory Cycle (Days)	86	87	94	88	93
Net Current Assets Turnover (Days)	113	110	103	96	127
Turnover/Net Current Assets	3.22	3.33	3.54	3.79	2.88
Turnover/Inventory	4.23	4.18	3.89	4.15	3.93
Turnover/Capital Employed	0.74	0.79	0.85	0.85	0.79
Turnover/Net Block	1.15	1.17	1.26	1.34	1.32
Net Block/Capital Employed	0.64	0.68	0.68	0.64	0.60
Working Capital/Capital Employed	0.23	0.24	0.24	0.22	0.27

STATEMENT OF PROFIT & LOSS RATIOS	2013-14	2014-15	2015-16 #	2016-17 #	2017-18 #
Domestic Sales/Turnover	94.45	92.56	92.74	93.18	93.47
Export Sales/Turnover	5.55	7.44	7.26	6.82	6.53
MARGINS (%)					
EBITDA Margin (Net Sales)	15.79	18.95	17.71	14.38	12.72
EBIT Margin (Net Sales)	9.63	12.40	11.70	8.96	7.58
Pre Tax Profit Margin @	5.68	8.36	9.55	7.32	5.06
PAT Margin	3.27	5.72	6.10	5.04	3.37
EXPENSES					
Goods Purchase for Resale/Total Expenses	19.52	21.65	24.78	24.61	27.66
Power & Fuel/Total Expenses	25.49	18.48	14.21	13.74	14.21
Manufacturing, Administrative and Other Expenses/Total Expenses	43.49	46.86	45.89	45.62	42.51
Employee Cost/Total Expenses	11.51	13.00	15.12	16.03	15.62
Interest Cover (times)	3.99	4.69	8.22	8.81	5.06
Cost of Debt (%)	6.67	7.97	5.84	4.83	6.07
PER SHARE DATA (₹)					
EPS (Face Value ₹ 2/-)	8.51	15.70	16.08	14.25	10.34
CEPS (Face Value ₹ 2/-)	24.34	32.38	36.36	29.27	26.55
Book Value (₹)	105.80	140.12	149.83	159.61	165.33

@ Before exceptional items

Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. Return on networth and return on average capital employed of these years are computed on the basis of figures as per Ind AS. Further these figures are including the figures of demerged undertaking of subsidiary Hindware Home Retail Private Limited. Hence these numbers are not comparable with previous years. Figures of the previous year 2016-17 have been regrouped, wherever necessary, to make them comparable with the year 2017-18.

Human Capital

HSIL's refreshed and reimagined business strategy is translated on-ground by its empowered team. Innovative Human Resource (HR) practices enable us to create an open environment for employees and develop high-performing teams to achieve organisational goals.

The Company's value-driven ecosystem forms the heart of all its HR policies. It attracts, develops, motivates, nurtures and retains talent. The senior leadership provides hands-on guidance to all members, down the pyramid to strengthen transparency, build trust and encourage seamless knowledge transfer. Our focus on developing cross-functional teams to foster synergies enables us to achieve strategic priorities. As on March 31, 2018, the workforce strength was over 4,100.

NURTURING TALENT

We have developed a well-defined recruitment strategy for onboarding talent for our diverse business segments. High-performance and trust are the guiding principles of the HR policy. Every business vertical is empowered to outline its HR strategy depending on its structure and growth trajectory. In-house training programme 'Saksham' sharpens skillsets of employees and empowers them to work with varied on-field sales teams. Additionally, we hire young talent from Premier Management Institutes and are always slotted for Day 0 Campus hiring.

The Company uses personalised skill assessment modules and routinely maps competencies to business objectives at tailor-made development centres to further strengthen its talent pool. HSIL also facilitates cross-functional development of employees, offering team members opportunities to expand their repertoire of skills. We strive to engage right talent for the right role to accomplish the desired business objectives. During FY 2017-18, over 100 employees were nominated for the development centre programme.

EMPLOYEE ENGAGEMENT

The Company encourages exchange of ideas between teams and Senior Management through informative and interactive forums such as town halls. Greater transparency and openness in communication instils confidence among our people and help us to better understand the aspirations of our employees. A responsive management, together with a robust talent pool, represents a powerhouse of dynamism, innovation and efficiency.

HSIL invests in its employees through initiatives focused on employee development and retention and provides benefits like interest-free loans for eligible employees, an open-door policy and flexi-working hours.

PERFORMANCE MEASUREMENT

HSIL continued a strong culture of high performance by timely setting of targets, clarity on goals and measurement criteria. Mid-year and annual performance reviews are conducted to make proactive mid-course assessments of employees. Our increased emphasis on quality of discussion between employees and their reporting managers ensures a productive and development-oriented experience.

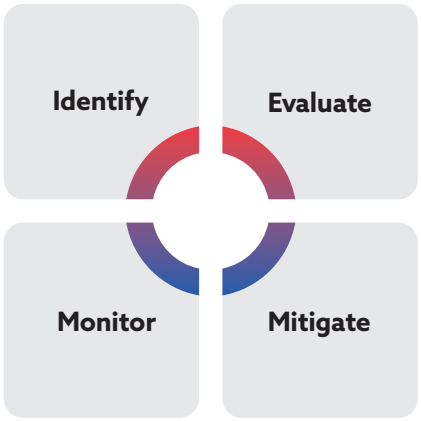


Risk Management

HSIL's effective risk management system continues to evolve. It enables the Company to achieve its strategic objectives and deliver sustainable, long-term growth with a commitment to responsible business practices.

THE KEY ELEMENTS OF OUR RISK GOVERNANCE FRAMEWORK ARE:

- Identification of principal risks that are likely to have a direct impact on strategic objectives
- Evaluation of identified risks and analysis of their potential impact
- Mitigation of identified risks in appropriate ways
- Monitoring and reviewing of the effectiveness of controls in place



SOME OF THE KEY RISKS FACING OUR BUSINESSES AND THEIR MITIGATION STRATEGIES ARE OUTLINED BELOW:

RISK	MITIGATION
Economic volatilities Economic uncertainties can undermine the demand for our products	India continues to be one of the fastest growing economies of the world. HSIL's presence across four business segments offers a diverse income portfolio and safeguards it from a downturn in any one sector. Growing aspiration and rapid urbanisation are consistently driving the demand of HSIL's products.
Unorganised sector Low-priced products offered by unorganised players can erode market share	Propelled by the GST ecosystem, market share across product categories is expected to gradually shift in favour of large organised players. HSIL stands out as one of the trusted players across its segments and offers attractive quality products across a wide range of price points.
Lack of innovation Inability to anticipate evolving trends and design products accordingly may adversely impact business growth	We regularly conduct in-depth market research to develop products aligned to evolving customer preferences and also offer an extensive basket of products, with smart features, to consumers across the value chain.
Raw material supply Inability to ensure seamless high-quality raw material supply at right prices could interrupt operations	The Company has broad-based its raw material sources, avoiding dependence on a few suppliers. HSIL engages with all its vendors regularly for optimised inventory planning.
Quality issues Inconsistencies in product quality might trigger customer attrition	The Company has incorporated globally benchmarked stringent and comprehensive quality checks across the manufacturing value chain. We also maintain strict quality controls over suppliers of traded products, keeping in line with the quality standards of our manufacturing. Our products undergo a series of quality tests and checks to ensure lower rejection rates and minimal customer complaints.

RISK	MITIGATION
Lack of prominence Poor marketing and distribution can jeopardise business growth	We are continuously strengthening our distribution network across India for all businesses with focus on increasing presence across Tier-II, Tier-III and Tier-IV towns. We have undertaken strategic marketing initiatives to popularise products and to enhance presence on various e-commerce platforms as an additional distribution channel.
Operational bottlenecks Operational hassles may impact production	HSIL's manufacturing assets are fully integrated state-of-the-art facilities with world-class process and practices embedding new technologies and automation to improve processes and product quality. Consistent focus on process debottlenecking and Total Productive Maintenance (TPM) have helped improved input-output ratio.
Quality of team Inadequate competencies and lack of experience of team members may impact business progress	The Company has appointed qualified and well-experienced personnel at key positions for better execution of processes and encourages employees to excel through proactive engagement activities. At HSIL we provide industry-specific training and attractive incentives for superlative performance.
Working Capital Management An inability to address short-term financing needs can adversely affect the growth prospects of the Company	The Company plans to optimise its working capital requirements in the years ahead by optimising its receivables and inventory cycles and extending its payable cycle.
Credit Standing Inadequate funds may impact the daily operations of the Company	Enduring lender relationships and a high credit profile have ensured that funds are readily available to the Company at competitive costs. Calculated steps are taken to reduce the cost of long-term debt and increase the maturity of proposed debts. The result: the Company enjoys a superior credit rating of AA-.
High volatility in real estate industry Sluggish growth in the real estate sector could affect the profitability of the Company	Various initiatives undertaken by the Central Government such asHousing for All by 2022, Affordable Housing Scheme, implementation of the Real Estate (Regulation and Development) Act (RERA), Smart Cities mission and the growing flow of FDI into Indian real estate sector are expected to stimulate construction and renovation, increasing the demand for Company's products. Moreover, with around 75 % of HSIL's revenue in the Building Products Division generated from the retail segment, the Company isn't overly dependent on any specific segment.
Rising competition Intense competition can lead to a loss of market share, sales and profits	The Company commands edge an over competitors due to its brand equity and a high product recall earned over decades. Besides, HSIL's products are available across price spectrum to connect with a wider customer base. Strategic marketing activities have allowed HSIL to serve more customers and satisfy them with dedicated after-sales services.
Entry of multinational players The arrival of deep-pocketed global players can upset the sectoral equilibrium	HSIL's trusted legacy, pioneer and world-class quality products, entrenched distribution network, loyal customer base and widespread service network provide an edge in facing challenges from multinational players.
Threat from PET packaging Rise in the demand of plastic packaging products could affect prospects of glass container business	An increased emphasis on eco-friendliness is expected to drive the growth of glass container as a packaging material. Its inert nature, aesthetic appeal and cleanliness are expected to serve it in good stead. Our presence in the PET segment will help us to capture the market share in that segment.
Dependence on few customers An excessive dependence on a few clients can affect sales	HSIL has a widespread and loyal customer base across different industries. The Company has always focused on building long-term and rewarding associations with clients across industries.

Internal Control Systems

The internal control systems are commensurate with the size, scale and complexity of the operations of the Company. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies.

The Company uses SAP - a well-accepted enterprise resource planning (ERP) system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information. The Company has continued its efforts to align all its processes and controls with best practices.

The Audit Committee of the Board of Directors, comprising Independent Directors, reviews the effectiveness of the internal control system across the Company including annual plan, significant audit findings, adequacy of internal controls and compliance with accounting policies and regulations.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives and 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 the strategies it devises for the future. The Company does not undertake to update these statements.



Directors' Report

Dear Members,

Your Directors are pleased to present the Fifty Eighth Annual Report and the Company's audited financial statement for the financial year ended 31 March 2018.

FINANCIAL RESULTS

The Company's standalone financial performance, for the year ended 31 March 2018 is summarized below:

(₹ in lakh)

Particulars	2017-18	2016-17
Revenue from Operations	2,28,451	2,22,655
Add: Other Income	972	455
Total Income	**2,29,423**	**2,23,109**
Profit before tax	**10,576**	**14,965**
Less: Tax expenses	3,100	4,664
Profit after tax (i)	**7,476**	**10,301**
Other Comprehensive Income (net of tax)	139	254
Total Comprehensive Income	**7,615**	**10,555**
Add: balance brought forward (ii)	51,487	44,667
Amount available for appropriation [(i) + (ii)]	**58,963**	**54,968**
APPROPRIATIONS :		
Dividend paid on equity shares	2,892	2,892
Tax on Dividend paid	589	589
Balance carried forward	**55,482**	**51,487**

(Figures have been rounded off)

OPERATIONAL REVIEW

Your Company reported consistent performance during FY 2017-18 across key business segments and continued its upward trajectory in new avenues of business, namely Consumer Products. Your company's sales (net of GST, Excise, Service Tax and other Indirect taxes) grew by 8.55% to reach ₹2,21,785 lakhs in FY 2017-18, compared with ₹2,04,311 lakhs in FY 2016-17.

Due to challenging business environment on account of demonetization exercise, Implementation of new indirect Goods and Service Tax regime, Hon'ble Supreme Court's order banning liquor vending on national highways affecting packaging products sales during first half of financial year 2017-18, increased expenditure on fostering growth of consumer products division and increased pressure on margins from rise in power and fuel and other expenses, the company's EBITDA declined by 4.00% to ₹28,210 lakhs in FY 2017-18.

BUILDING PRODUCTS DIVISION (BPD)

The BPD revenue (net of GST, Excise, Service Tax and other Indirect taxes) went up by 5.82 % to touch ₹1,02,945 lakhs in FY 2017-18, as against ₹97,283 lakhs in FY 2016-17. EBIT before unallocable expenditure increased by 1.64%. The division highlights during 2017-18 spanned a series of innovative developments, including:

- Launched a new 360 degree campaign with iconic Indian actor Shah Rukh Khan for brand Hindware (start with the expert) and repositioned 'Hindware' in bathroom category as expert.
- Premium bathroom suites brand 'Alchymi' launched in collaboration with Manish Malhotra.
- Opened 'Lacasa' display and concept store at Mumbai, bringing brand 'Hindware' closer to the consumer and promising a completely different experience.
- Increased dealer distribution network by 33% in faucet segment and expanded retail touch points for faucets.
- Introduced twenty new product ranges in sanitaryware and ten in faucets.
- Added 100+ brand stores across country to strengthen the brand visibility thereby bringing total number of brand stores to 310+.
- Expanded luxury brand 'Queo' to 30+ cities in India and introduced voice activated showering and two new fashion range.

PACKAGING PRODUCTS DIVISION (PPD)

The PPD revenue (net of GST, Excise, Service Tax and other Indirect taxes) increased by 4.87% to ₹92,020 lakhs in FY 2017-18, as against ₹87,744 lakhs in FY 2016-17. EBIT before unallocable expenditure declined by 33.00 %. The key initiatives undertaken during the year for better operational performance are.

- Commenced production of security caps and closures project in Q4 2017-18.
- Introduced 63 new designs in glass containers during the year.
- Increased share of glass containers manufactured with Narrow Neck Press and Blow (NNPB) technology in overall glass sales. NNPB reduce bottle weight by 10% - 40%.
- Added 6 new products in the PET business.

CONSUMER PRODUCTS DIVISION (CPD)

The CPD revenue grew by 65.00 % to ₹20,769 lakhs in FY 2017-18, from ₹12,587 lakhs in FY 2016-17. EBIT level loss before unallocable expenditure decreased by 31.15%. The division reported excellent operational performance at the back of various initiatives which are as under:

- Introduced superior and aesthetically designed variants in existing product categories (43 SKUs in the Kitchen appliances category, 8 SKUs in the Air coolers category besides 7 SKUs of water heaters and 4 SKUs of water purifiers).
- One of the leading player in product category kitchen chimneys on the major Indian ecommerce portals namely Amazon and Flipkart. Significant player in the category of water heaters and air coolers in large store formats like Metro Cash and Carry and Walmart.
- Significant Increase in market share in the categories of kitchen chimneys, water heaters and air coolers, besides making its presence felt in all the important categories of water purifiers.
- Developed 3 unique Patents for the business in past 12 months backed on strong work in the Consumer Business R&D (two for water purifiers and one for air coolers).
- Distribution network expanded to 575+ distribution points, 8500+ retailers and 350+ large format stores like Reliance Digital, Croma, Spencer, Walmart, Metro Cash and Carry.

RETAIL DIVISION

Revenue of Retail division grew by 0.36% to ₹9,618 lakhs in FY 2017-18, from ₹9,583 lakhs in FY 2016-17. EBIT level loss before unallocable expenditure decreased by 21%. The division reported improved operational performance at the back of various initiatives:

- Opened new COCO (Company owned and Company operated) store at Vadodara.
- Increased presence by adding six new franchisee stores.
- Leveraging e-tailing sites to extend customer reach.
- Presence across the country with 14 large format retail stores with an average size of 8500 sqft.

There is no change in the nature of the businesses during the year 2017-18.

SCHEME OF ARRANGEMENT

During the year under review, the Board of Directors of the Company, in its meeting held on 10 November 2017 had approved a Composite Scheme of Arrangement under section 230 to 232, read with section 66 and other applicable provisions of the Companies Act, 2013 and the provisions of other applicable laws, amongst the Company, Somany Home Innovation Limited, a wholly owned subsidiary of the Company ("Resulting Company 1") and Brilloca Limited, a wholly owned subsidiary of Resulting Company 1 ("Resulting Company 2") and their respective shareholders and creditors ("Scheme"). The Scheme provides for the demerger of, (i) the Consumer Products Distribution and Marketing Undertaking ("CPDM Undertaking") and Retail Undertaking of the Company into Resulting Company 1, and (ii) the Building Products Distribution and Marketing Undertaking ("BPDM Undertaking") of the Company into Resulting Company 2. The Appointed Date for the Scheme is 1 April 2018 or such other date as directed by the Hon'ble Kolkata Bench of the National Company Law Tribunal ("NCLT"). The Scheme is subject to necessary regulation, approval and sanction by Hon'ble NCLT. The Company has received approval from BSE Limited and the National Stock Exchange of India Limited and is in the process of filing the application with Hon'ble NCLT for approval.

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 statement relate and the date of this Report

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no material subsidiary in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, Somany Home Innovation Limited and Luxxis Heating Solutions Private Limited were incorporated on 28 September 2017 and 26 December 2017 respectively in India as wholly owned subsidiaries of HSIL Limited. Further, Brilloca Limited was incorporated on 2 November 2017 in India as a wholly owned subsidiary of Somany Home Innovation Limited (step down subsidiary of HSIL Limited). During the year under review, KS 615 Limited, wholly owned subsidiary of Haas International B.V has

dissolved on 30 January 2018 and has ceased to be a step down subsidiary of HSIL Limited.

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 statements of our subsidiaries in the prescribed format AOC-1 forms part of the consolidated financial statements and hence not repeated here for the sake of brevity. The statements provide the details of performance, financial positions of each of the subsidiaries.

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 at our registered office in Kolkata, India, on any working day between 3:00 p.m. and 5:00 p.m. till the date of the ensuing 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/material-subsidiary-policy-version-ii.pdf

DIVIDEND

Your Directors have recommended a dividend of ₹4/- (i.e. 200%) per equity share (last year ₹4/- (i.e. 200%) per equity share) on equity shares of ₹2/- each for the financial year ended 31 March 2018, amounting to ₹3486 lakhs (inclusive of Dividend Distribution Tax ₹594 lakhs). 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 25 August 2018 and in respect of shares held in dematerialized 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 24 August 2018.

TRANSFER TO RESERVES

The Board proposes not to transfer any amount out of the profit for the year under review to the general reserve.

DEPOSITS

Your Company has 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

At the 57th Annual General Meeting of the Company held on 3 August 2017, the shareholders approved the appointment of M/s. Lodha & Co, Chartered Accountants, as statutory auditors of the Company having Firm's Registration No. 301051E to hold the office till the conclusion of the 62nd Annual General Meeting subject to ratification of the appointment by the shareholders, at every Annual General Meeting. As per the notification issued by Ministry of Corporate Affairs (MCA) dated 7 May 2018 for The Companies (Amendment) Act, 2017 and Companies (Audit and Auditors) Amendment Rules, 2018, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting, therefore no resolution for such ratification is taken in the Notice of the ensuing AGM.

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 DMK Associates, Company Secretaries, New Delhi, (Ms. Monika Kohli, Practicing Company Secretary CP No.4936) to conduct Secretarial Audit for the financial year 2017-18, 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 2017-18 is enclosed as Annexure A to 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 did not issue equity shares. The paid-up Equity Share Capital as on 31 March 2018 was ₹1,445.97 lakhs.

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 Regulation 34 (2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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:

a) in the preparation of the annual accounts for the year ended 31 March 2018, 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;

b) 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 2018 and of the profit of the Company for the year ended on that date;

c) 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;

d) the Directors had prepared the annual accounts on a 'going concern' basis;

e) 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

f) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. The disclosure in Form AOC-2 is enclosed as Annexure D to this report. 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-version-ii-new.pdf

Your Directors draw attention of the members to Note 51 to the financial statements which set out related party disclosures.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has a Corporate Social Responsibility Committee in place as per the provisions of Section 135 of the Companies Act, 2013, comprising of Mr. Salil Bhandari, Chairman, Dr. Rajendra Kumar Somany, Mr. Sandip Somany and Mrs. Sumita Somany as other members of the Committee.

The Company's Corporate Social Responsibility Policy (CSR Policy) duly approved by the Board, indicates 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; and
- 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-Version-II.pdf

The Annual Report on CSR Activities for the financial year 2017-18 is enclosed as Annexure E to this report.

DISCLOSURE UNDER SECRETARIAL STANDARD

The Directors state that the Company is complying with all the applicable Secretarial Standards on meetings of the Board of Directors.

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 in place 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/pdf/vigil-mechanism-(whistle-blower)-version-ii.pdf

REMUNERATION POLICY

The Company has in place a Remuneration Policy for appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Remuneration Policy is available on Company's website at the link: http://www.hindwarehomes.com/pdf/Nomination-and-Remuneration-Policy-VersionII.pdf

DIVIDEND DISTRIBUTION POLICY

The Company has in place a Dividend Distribution Policy as per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy was adopted to set out the parameters that will be taken into account by the Board in determining the distribution of dividend to its shareholders and /or retaining profit earned by the Company. The Policy is available on Company's website at http://www.hindwarehomes.com/pdf/Dividend-Distribution-Policy.pdf

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. 7, 8, 13, 17 and 59).

PARTICULARS OF EMPLOYEES

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

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is provided in the Annual Report, which forms part of this Report. Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company at Kolkata, on any working day between 3.00 p.m. to 5.00 p.m. till the date of the ensuing AGM and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

INTERNAL CONTROLS

The internal control systems are commensurate with the size, scale and complexity of the operations of the Company. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization, and ensuring compliance with corporate policies. The Company uses SAP - a well-accepted enterprise resource planning (ERP) system to record data for accounting, consolidation, and management information purposes and connects to different locations for efficient exchange of information. The Company has continued its efforts to align all its processes and controls with best practices.

The Audit Committee of the Board of Directors, comprising of Independent Directors, reviews the effectiveness of the internal control system across the Company including annual plan, significant audit findings, adequacy of internal controls and compliance with accounting policies and regulations.

INTERNAL FINANCIAL CONTROLS

The Company has in place an adequate Internal Financial Controls framework. The Company has documented Risk and Control Matrices (RACM) covering all activities and all controls are tested for design and operating effectiveness as part of its Internal Financial Control reporting framework. The Company has laid down policies and procedures for all critical processes. The financial controls are evaluated for both design and operating effectiveness by an external consulting firm of repute as well as by our in-house internal audit team.

In our view, the Internal Financial Controls are adequate and are in line with best practices applicable to organizations of a similar size, nature and complexity.

RISK MANAGEMENT

The Company has a robust Risk Management framework which identifies and assesses strategic, operational, financial and compliance risks and monitors the effectiveness and efficiency of risk mitigation and control measures. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

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 complaints 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 shareholders in their meeting held on 3 August 2017 have approved the re-appointment of Dr. Rajendra Kumar Somany as Chairman and Managing Director of the Company for a further period of 3 years with effect from 9 January 2018.

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

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

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 retirement and/or re-appointment at the ensuing AGM of the Company. However, the Notice of the ensuing AGM proposes a special resolution for continuation of Mr. V.K. Bhandari as Independent Director on the Board of Directors of the Company in accordance with SEBI circular dated 9 May 2018.

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 etc. has been uploaded on the Company's website at the web link : http://www.hindwarehomes.com/training_of_directors.aspx#section 2.

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 employees of the Company under any scheme.

4. Issue of Employees Stock Option to employees of the Company under any scheme.

5. The Managing Directors/Whole-time Directors of the Company do not 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 except Hon'ble National Green Tribunal has issued an order dated 14 March 2017 for revocation of consent to operate and direction for closure of our Kaharani Faucets unit situated in the district Alwar in the State of Rajasthan, under Section 25/26 of the Water (Prevention and Control of Pollution) Act, 1974 and Section 21/22 of the Air (Prevention and Control of Pollution) Act, 1981.

   Further, the Hon'ble National Green Tribunal vide its order dated 22 May 2017 had directed Rajasthan State Pollution Control Board to allow HSIL Limited to operate its Kaharani faucet manufacturing plant.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for 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 all employees of the Company.

For and on behalf of the Board of Directors

Place: Gurugram
Date: 30 May 2018

Dr. Rajendra Kumar Somany
Chairman and Managing Director

ANNEXURE - A

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

To
The Members,
M/s HSIL LIMITED
CIN L51433WB1960PLC024539
2, Red Cross Place, Kolkata
West Bengal 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 our opinion thereon.

Based on our verification of the Company's 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 2018 (Audit Period) 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 along with Annexure 1 attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018 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; (Not applicable to the Company during the Audit Period)

(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 (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); (No FDI and ECB was taken by the company during the Audit Period)

(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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period)

e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period)

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)

g) 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; (Not applicable to the Company during the Audit Period)

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

(vi) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT

i. The Factories Act, 1948 and rules made thereunder,

ii. The Payment of Wages Act, 1936 and rules made thereunder,

iii. Minimum Wages Act, 1948 and the rules made thereunder,

iv. Employees' State Insurance Act, 1948 and rules made thereunder,

v. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the rules made thereunder,

vi. Payment of Bonus Act, 1965 and rules made thereunder,

vii. The Payment of Gratuity Act, 1972 and rules made thereunder,

viii. The Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder,

ix. The Apprentice Act, 1961,

x. The Industrial Dispute Act, 1947 and rules made thereunder,

xi. The Equal Remuneration Act, 1976 and rules made thereunder,

xii. Trade Union Act, 1926 and rules made thereunder,

xiii. The Employees Compensation Act, 1923 and rules made thereunder,

xiv. Maternity Benefit Act, 1961 and rules made thereunder,

xv. The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder,

xvi. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder,

xvii. Hazardous and other Waste (Management and Transboundary Movement) Rules, 2016,

xviii. Legal Metrology Act, 2009 and rules made thereunder,

xix. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder,

xx. Personal Injuries (Compensation Insurance) Act, 1963,

xxi. Custom Act, 1962,

xxii. Petroleum Act, 1934 and rules framed thereunder,

xxiii. Industrial Employment (Standing Orders) 1946,

xxiv. Environment Protection Act, 1986,

xxv. Punjab Industrial Establishment (National, Festival, Casual and Sick Leave) Rules, 1968,

xxvi. Punjab Labour Welfare Fund, 1965,

xxvii. Andhra Pradesh Labour Welfare Fund Act, 1987,

xxviii. Employers Liability Act, 1938,

xxix. Indian Contract Act, 1872,

xxx. Income Tax Act, 1961 and Indirect Tax Laws,

xxxi. Negotiable Instrument 1881, and

xxxii. Indian Stamp Act, 1999.

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

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

(ii) Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-executive, women and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

2. Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings along with agenda and detailed notes on agenda 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.

3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the Board and committee meetings.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(S) issued by Chief Executive Officer and Chief Financial Officer of the Company and taken on record by the Board of Directors at their meeting (s), 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 incurred any specific event / action that can have major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc. except as follows:

a) The composite Scheme of Arrangement between Hindware Home Retail Private Limited (transferor) and HSIL Limited (transferee) and their respective shareholders and creditors of the Company, for transfer of the retail business (hereinafter referred to as "Demerged Undertaking") of the Transferor Company into the Transferee Company, on-going concern basis, has been approved by the National Company Law Tribunal, Kolkata Bench, the certified copy of which was received by the Company on 5 May 2017 and the said order was filed by the Company with the Registrar of Companies, West Bengal in Form INC-28 on 16 May 2017.

b) The Company has received a notice from National Green Tribunal dated 14 March 2017 for closure of Company's unit situated at HSIL Limited, Plot No. SPI-254, RIICO Industrial Area, Kaharani (Bhiwadi), Rajasthan with immediate effect due to failure to maintain prescribed standards for effluent treatment under Environment Protection Act, 1986. The Company had made application no. 310 against the said notice with National Green Tribunal. The National Green Tribunal vide its order dated 22 May 2017 permitted the Kaharani unit to operate subject to compliance of the order.

c) During the year under review, the Board of Directors in their meeting held on 10 November 2017 had approved the Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 read with Section 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, amongst HSIL Limited, Somany Home Innovation Limited, Brilloca Limited and their respective shareholders and creditors. The said scheme was approved by National Stock Exchange of India Ltd. and BSE Ltd. on 23 April 2018 and 24 April 2018 respectively. The Company is in the process of filing the application with Hon'ble NCLT for approval.

d) During the year the Company has commenced its commercial operation first phase small size caps and closure plant located at HSIL Limited, Packaging Products Division, AGI Clozures, Survey No. 208 to 218, Sitarampur Village, Isnapur-502307, Patancheru Mandal, Sangareddy Distt. Telangana State with effect from 22 January 2018.

For **DMK ASSOCIATES**
COMPANY SECRETARIES

(MONIKA KOHLI)
FCS, LL.B.
PARTNER

FCS 5480, C P 4936

Date : 30 May 2018
Place : New Delhi

ANNEXURE - 1

To
The Members,
M/s HSIL LIMITED
CIN L51433WB1960PLC024539
2, Red Cross Place, Kolkata
West Bengal 700001

Sub: Our Secretarial Audit for the Financial Year ended 31 March 2018 of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

7. As per the information provided by the Company, there are certain disputes / cases filed by or against the Company, which are currently lying pending with the various Courts. However as informed these cases have no major impact on the Company.

For **DMK ASSOCIATES**
COMPANY SECRETARIES

(MONIKA KOHLI)
FCS, LL.B.
PARTNER

FCS 5480, C P 4936

Date : 30 May 2018
Place : New Delhi

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. The Company has been choosing the most energy efficient equipments. Towards this, energy consumption is closely monitored and controlled. The Company is continuously making efforts to reduce waste in all its operations.

Energy constitutes a major part of cost and therefore we always focus on the areas of potential energy saving in the plants and offices. Being an ISO 14001 certified Company, we are committed to minimise the use of natural resources. We acquire knowledge from various sources about the technological upgradation/innovations in manufacturing processes and choose and install the most energy efficient equipments to ensure optimum use of energy.

a) Building Products Division (Sanitaryware and Faucets)

Energy being a major part of cost structure, we always make efforts to reduce energy consumption. For strict monitoring of the electricity consumption we have installed an online software system for monitoring, data collection and analysis of the energy at all the core equipments level in one of the plant. For fuel consumption monitoring we have flow meters at all the required locations in the plant. Based on the data analysis and observations we take appropriate corrective actions to minimise the use of energy. As per technological upgradation/innovations in ceramic manufacturing processes, we choose and install the most energy efficient equipments in the plant to ensure optimum use of energy.

b) Packaging Products Division (Glass and Plastic Products)

- Audit of compressed air system and arresting of air leakages.
- Replacement of conventional light fittings with energy efficient LED light fittings.
- Replacement of old air conditioners with star rating A/CS.
- Arrangement of timer based on off controls to avoid idle running.
- Installation of LED lights in place of conventional lights.
- Improvement in plant power factor.
- Conducted a detailed energy audit of the plant through M/s TERI for identifying the new ideas.

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

a) Building Products Division (Sanitaryware and Faucets)

Installation of solar power plants at Bahadurgarh Sanitaryware Plant (Plant 1) – 300 KWp, Bibinagar Sanitaryware Plant (Plant 2) - 1500 KWp and at Kaharani Faucets Plant – 598 KWp.

b) Packaging Products Division

For utilisation of alternate source of energy, we have considered solar power to be installed at our warehouse roof tops and ground. The project is under progress and expected to be commissioned in the second quarter of FY 2018-19.

(iii) The capital investment on energy conservation equipments

S. No.	Capital Equipment	Capital investments on energy conservation equipments (₹ in Lakhs)	Energy saving / annum (units in KWH)	Financial saving (₹ in Lakhs)
(a)	**Building Products Division**			
	Sanitaryware: Bahadurgarh Plant (Plant 1)			
1	Replacement of old ceiling fans with energy efficient fans	5.2	86287	6.64
2	Installation of new LED Tube Lights in place of conventional lights	2.5	77475	5.96
3	Replacement of existing old exhaust fans with energy efficient fans in cast shop	2.2	64824	4.99
4	Reduction in pumps operation Hrs by conservation of water in process use	Nil	18470	1.42

S. No.	Capital Equipment	Capital investments on energy conservation equipments (₹ in Lakhs)	Energy saving / annum (units in KWH)	Financial saving (₹ in Lakhs)
	Sanitaryware: Bibinagar Plant (Plant 2)			
1	Reduction in pump operation Hrs by installation of taps with sensors in inspection department	0.8	27000	2.20
2	Installation of new LED Tube Lights in place of conventional lights	4.5	90000	7.34
	Faucets: Kahrani Plant (Plant 3)			
1	Installation of new LED Tube Lights in place of conventional lights	20	24000	1.85
(b)	**Packaging Products Division**			
	Glass Plant: Bhongir			
1	HT APFC Panel	25	570000	32
2	LED Lighting	20	90000	5

(B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption

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

a) Building Products Division

- Upgradation of knowledge and skills by deputing concerned personnel to attend relevant seminars, workshops and trainings.
- Time to time in-house technical training and retraining for skill enhancement.
- Exposure to the latest technology, advanced systems and skills to the persons in operation by time to time organizing the visit of the plants in different countries and look into the possibilities of developing these indigenously to have easy availability, save on cost and time.

b) Packaging Products Division

- Continuous in-house technical training.
- Deputing concerned personnel to relevant seminars, symposiums and workshops to upgrade skills and knowledge.
- All parts drawings and dissembled assembly for critical mechanisms provided in the training room.
- Relevant persons are being sent for technical training with OEM.

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

a) Building Products Division

- Achieving better productivity, rejections minimization, improvement in quality and design.
- Conservation of energy in terms of fuel and electricity.

b) Packaging Products Division

- Import substitution of I/S machine spares and inspection machine spares.
- Saving of LPG in furnace and annealing lehr.
- Saving of 2500 KWH/day in overall operations through controls.

(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 (Sanitaryware Plant 1 and 2)				
Replacement of Old reciprocating type compressors with new screw type energy efficient compressor with variable speed drive	Atlas Copco Belgium	2015	Fully Absorbed	-
Incorporating one additional compressor with new screw type energy efficient technology with variable speed drive	Atlas Copco Belgium	2016	Fully Absorbed	-
Installation of Hydro pneumatic system for water supply	Grundfos Denmark	2016	Fully Absorbed	-

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
Installation of New Shuttle kiln	Keramischer Ofenbau Germany	2017	Fully Absorbed	-
B. Building Products Division (Faucets)				
Arcos Robotic (Grind and polishing)	Italy	2015	Fully Absorbed	-
C. Building Products Division (Pipe)				
CPVC extruder TTS-88 R26. output 50-350 kg per hour for CPVC Pipes along with equipments	Theysohn Extrusion Technik Gmbh, Austria	2016	Fully Absorbed	-
CPVC extrusion CON 63 for CPVC Pipes output 50-220 kg per hour along with equipments	Theysohn Extrusion Technik Gmbh, Austria	2016	Fully Absorbed	-
Air-cooled screw chiller 55TR	Trane India Limited, USA	2017	Fully Absorbed	-
Water cooled screw chiller 80TR	Trane India Limited, USA	2017	Fully Absorbed	-
D. Packaging Products Division (Bhongir Plant)				
PPC for NNPB	Switzerland	2016-17	Fully Absorbed	-
Hot end coating Hood	Italy	2016-17	Fully Absorbed	-
Cold end coating machine	Germany	2016-17	Fully Absorbed	-
Cold end coating machine	China	2016-17	Fully Absorbed	-
Pick and Placer	Singapore	2015-16	Fully Absorbed	-
LWN high speed blowers	Germany	2016 -17	Fully Absorbed	-
New bottom and side wall inspection machines with high definition cameras	France	2015-16	Fully Absorbed	-
E. Packaging Products Division (Hyderabad Plant)				
Sheppe transfer wheel	UK	2017	Fully Absorbed	-
Section Boxes for 29 m/c	Italy	2016	Fully Absorbed	-
Section boxes for 13m/c	Italy	2017	Fully Absorbed	-
Timing system ADV 1000 for 13 m/c	Italy	2017	Fully Absorbed	-
Section boxes for m/c 27	China	2018	-	Planning to commission in May 2018
Stacker and ware transfer for 26 m/c	China	2018	-	Planning to commission in July 2018
Timing system for m/c 26	China	2018	-	Planning to commission in July, 2018

(iv) Expenditure incurred on Research and Development

(₹ in Lakhs)

Particulars	2017-18	2016-17
Capital Expenditure	-	2
Recurring Expenditure	135	112
Total	135	114
Total R&D expenditure as a % of total building product revenue	0.13%	0.10%

(v) Foreign Exchange Earnings and Outgo

(₹ in Lakhs)

Particulars	2017-18	2016-17
Earning in foreign currency	5047	5202
Outgo of foreign currency	22874	30406
- Raw Material, spare part and others	19600	26559
- Capital Equipment	3274	3847

ANNEXURE - C

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31 March 2018

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

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 +91-033-22487407/5668
vi	Whether listed company	Yes
vii	Name , Address & Contact details of the Registrar & Transfer Agent, if any	Maheshwari Datamatics Private Limited 23, R. N. Mukherjee Road, 5th Floor, 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

S. No	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Sanitaryware	23922	27.46%
2	Faucets	24320	13.39%
3	Glass Containers	23103	37.37%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S. 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	Somany Home Innovation Limited 2, Red Cross Place, Kolkata - 700001, West Bengal	U74999WB2017PLC222970	Subsidiary	100	2(87)
3	Brilloca Limited 2, Red Cross Place, Kolkata - 700001, West Bengal	U74999WB2017PLC223307	Subsidiary of Somany Home Innovation Limited	100	2(87)
4	Luxxis Heating Solutions Private Limited 2, Red Cross Place, Kolkata - 700001, West Bengal	U74999WB2017PTC224015	Subsidiary	100	2(87)
5	Halis International Limited 4th floor, Hennesy Tower, Pope Hennessy Street, Port Louis, Mauritius	N.A	Subsidiary	100	2(87)
6	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%) Hoogoorddreef 15, 1101 BA Amsterdam, Netherland	N.A	Subsidiary of Halis International Limited	100	2(87)
7	Haas International B.V Hoogoorddreef 15, 1101 BA Amsterdam, Netherland	N.A	Subsidiary of Alchemy International Cooperatief U.A	100	2(87)

S. No	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
8	QUEO Bathroom Innovations Limited The Plaza ,100 Old Hall Street, Liverpool, UK	N.A	Subsidiary of HAAS International B.V	100	2(87)

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)

(i) Category-wise Shareholding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01.04.2017]				No of Shares held at the end of the year [As on 31.03.2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5747719	0	5747719	7.95	5747719	0	5747719	7.95	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	29265000	0	29265000	40.48	29265100	0	29265100	40.48	0.00
e) Banks/Fi	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	35012719	0	35012719	48.43	35012819	0	35012819	48.43	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**35012719**	**0**	**35012719**	**48.43**	**35012819**	**0**	**35012819**	**48.43**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	17829480	0	17829480	24.66	17861536	0	17861536	24.71	0.04
b) Banks/FI	242904	15844	258748	0.36	182884	14299	197183	0.27	-0.09
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	500	500	0.00	0	500	500	0.00	0.00
g) FIIs	1104882	0	1104882	1.53	0	0	0	0.00	-1.53
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
Alternate Investment Funds	211291	0	211291	0.29	385329	0	385329	0.53	0.24
Foreign Portfolio Investors	4527662	0	4527662	6.26	4626275	0	4626275	6.40	0.14
Provident Funds / Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B)(1)	**23916219**	**16344**	**23932563**	**33.10**	**23056024**	**14799**	**23070823**	**31.91**	**-1.19**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1941613	10763	1952376	2.70	1843459	4709	1848168	2.56	-0.14
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	7782399	1097934	8880333	12.28	8322666	790958	9113624	12.61	0.32
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1088886	0	1088886	1.51	1448992	0	1448992	2.00	0.50
c) Others (Specify)									
i) Non Resident Indians	1031400	10959	1042359	1.44	1267887	4127	1272014	1.76	0.32
ii) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
iii) Custodian of Enemy Property	0	0	0	0.00	0	0	0	0.00	0.00
iv) Foreign Nationals	0	0	0	0.00	207	0	207	0.00	0.00
v) Clearing Members	187890	0	187890	0.26	117125	0	117125	0.16	-0.10
vi) Trusts	800	0	800	0.00	1350	0	1350	0.00	0.00
vii) Foreign Bodies-D R	0	0	0	0.00	0	0	0	0.00	0.00
viii) Foreign Portfolio Investors	0	0	0	0.00	0	0	0	0.00	0.00
ix) NBFCs registered with RBI	198469	0	198469	0.27	185238	0	185238	0.26	-0.02
x) Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No of Shares held at the beginning of the year [As on 01.04.2017]				No of Shares held at the end of the year [As on 31.03.2018]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
xi) Domestic Corporate Unclaimed Shares Account	0	0	0	0.00	0	0	0	0.00	0.00
Investor Education and Protection Fund Authority	0	0	0	0.00	226035	0	226035	0.31	0.31
Sub-total(B)(2)	**12231457**	**1119656**	**13351113**	**18.47**	**13412959**	**799794**	**14212753**	**19.66**	**1.19**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**36147676**	**1136000**	**37283676**	**51.57**	**36468983**	**814593**	**37283576**	**51.57**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**71160395**	**1136000**	**72296395**	**100.00**	**71481802**	**814593**	**72296395**	**100.00**	**0.00**

(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the begginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% 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	Dr. Rajendra Kumar Somany	30,80,000	4.26	-	30,80,000	4.26	-	-
2	Mr. Sandip Somany	22,83,563	3.16	-	22,83,563	3.16	-	-
3	Ms. Divya Somany	1,46,912	0.20	-	1,46,912	0.20	-	-
4	Ms. Sumita Somany	1,61,000	0.22	-	1,61,000	0.22	-	-
5	Mr. Shashvat Somany	76,244	0.11		76,244	0.11	-	-
6	Paco Exports Ltd.	2,12,80,000	29.43	-	2,12,80,000	29.43	-	-
7	Soma Investments Ltd.	42,35,000	5.86	-	42,35,000	5.86	-	-
8	New Delhi Industrial Promotors and Investors Ltd.	37,50,000	5.19	-	37,50,000	5.19	-	-
9	Matterhorn Trust	-	-	-	100	0.00	-	0.00
	Total	**3,50,12,719**	**48.43**		**3,50,12,819**	**48.43**	**-**	**0.00**

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

S. No.	Particulars	Shareholding at the beginning of the Year (As on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	**DR. RAJENDRA KUMAR SOMANY**				
	a) At the beginning of the year	30,80,000	4.26	30,80,000	4.26
	b) Date wise increase/decrease in Promoters Share holding during the year				
	c) At the end of the year			30,80,000	4.26
2	**MR. SANDIP SOMANY**				
	a) At the beginning of the year	22,83,563	3.16	22,83,563	3.16
	b) Date wise increase/decrease in Promoters Share holding during the year				
	c) At the end of the year			22,83,563	3.16
3	**MS. DIVYA SOMANY**				
	a) At the beginning of the year	1,46,912	0.20	1,46,912	0.20
	b) Date wise increase/decrease in Promoters Share holding during the year				
	c) At the end of the year			1,46,912	0.20
4	**MS. SUMITA SOMANY**				
	a) At the beginning of the year	1,61,000	0.22	1,61,000	0.22
	b) Date wise increase/decrease in Promoters Share holding during the year				
	c) At the end of the year			1,61,000	0.22
5	**MR. SHASHVAT SOMANY**				
	a) At the beginning of the year	76,244	0.11	76,244	0.11

S. No.	Particulars	Shareholding at the beginning of the Year (As on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	b) Date wise increase/decrease in Promoters Share holding during the year				
	c) At the end of the year			76,244	0.11
6	**PACO EXPORTS LIMITED**				
	a) At the beginning of the year	2,12,80,000	29.43	2,12,80,000	29.43
	b) Date wise increase/decrease in Promoters Share holding during the year				
	c) At the end of the year			2,12,80,000	29.43
7	**SOMA INVESTMENTS LIMITED**				
	a) At the beginning of the year	42,35,000	5.86	42,35,000	5.86
	b) Date wise increase/decrease in Promoters Share holding during the year				
	c) At the end of the year			42,35,000	5.86
8	**NEW DELHI INDUSTRIAL PROMOTORS AND INVESTORS LIMITED**				
	a) At the beginning of the year	37,50,000	5.19	37,50,000	5.19
	b) Date wise increase/decrease in Promoters Share holding during the year				
	c) At the end of the year			37,50,000	5.19
9	**MATTERHORN TRUST**				
	a) At the beginning of the year	0	0.00	0	0.00
	b) Date wise increase/decrease in Promoters Share holding during the year				
	23/06/2017-100 Shares Purchase			100	0.00
	c) At the end of the year			100	0.00

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

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE MANUFACT**				
a)	At the beginning of the year	1080000	1.49	1080000	1.49
b)	Date wise increase/decrease Shareholding during the year				
	27/10/2017 - 30000 Shares Transfer			1050000	1.45
	05/01/2018 - 11222 Shares Transfer			1038778	1.44
	12/01/2018 - 11700 Shares Transfer			1027078	1.42
c)	At the end of the year			1027078	1.42
2	**FAERING CAPITAL INDIA EVOLVING FUND**				
a)	At the beginning of the year	750000	1.04	750000	1.04
b)	Date wise increase/decrease Shareholding during the year			-	-
c)	At the end of the year			750000	1.04
3	**HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNITIES FUND-1140D NOVEMBER 2017 (1)**				
a)	At the beginning of the year	5088044	7.04	5088044	7.04
b)	Date wise increase/decrease Shareholding during the year				
	07/04/2017 - 52000 Shares Purchase			5140044	7.11
	24/11/2017 - 49000 Shares Transfer			5091044	7.04
	01/12/2017 - 84700 Shares Transfer			5006344	6.92
	08/12/2017 - 31025 Shares Transfer			4975319	6.88
	15/12/2017 - 12000 Shares Transfer			4963319	6.87
	22/12/2017 - 7238 Shares Transfer			4956081	6.86
	29/12/2017 - 7700 Shares Transfer			4948381	6.84

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	02/02/2018 - 9244 Shares Transfer			4939137	6.83
	09/02/2018 - 5477 Shares Transfer			4933660	6.82
	16/02/2018 - 1300 Shares Transfer			4932360	6.82
	23/02/2018 - 45750 Shares Transfer			4886610	6.76
	02/03/2018 - 56500 Shares Transfer			4830110	6.68
	09/03/2018 - 500 Shares Transfer			4829610	6.68
	16/03/2018 - 6100 Shares Transfer			4823510	6.67
c)	At the end of the year			4823510	6.67
4	**RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE CAPITAL BUILDER FUND 4 SR C**				
a)	At the beginning of the year	6592893	9.12	6592893	9.12
b)	Date wise increase/decrease Shareholding during the year				
	26/05/2017 - 42025 Shares Purchase			6634918	9.18
	02/06/2017 - 57800 Shares Purchase			6692718	9.26
	09/06/2017 - 20000 Shares Purchase			6712718	9.29
	16/06/2017 - 230427 Shares Purchase			6943145	9.60
	07/07/2017 - 44369 Shares Transfer			6898776	9.54
	04/08/2017 - 10000 Shares Purchase			6908776	9.56
	11/08/2017 - 27700 Shares Purchase			6936476	9.59
	18/08/2017 - 35627 Shares Purchase			6972103	9.64
	08/09/2017 - 25000 Shares Purchase			6997103	9.68
	17/11/2017 - 50000 Shares Purchase			7047103	9.75
	22/12/2017 - 29538 Shares Transfer			7017565	9.71
	05/01/2018 - 10653 Shares Transfer			7006912	9.69
	12/01/2018 - 91931 Shares Transfer			6914981	9.56
	19/01/2018 - 474916 Shares Transfer			6440065	8.91
	26/01/2018 - 298290 Shares Purchase			6738355	9.32
	02/02/2018 - 17783 Shares Transfer			6720572	9.30
c)	At the end of the year			6720572	9.30
5	**SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES I**				
a)	At the beginning of the year	3939064	5.45	3939064	5.45
b)	Date wise increase/decrease Shareholding during the year				
	07/04/2017 - 16000 Shares Transfer			3923064	5.43
	26/05/2017 - 253798 Shares Purchase			4176862	5.78
	02/06/2017 - 19202 Shares Purchase			4196064	5.80
	14/07/2017 - 27076 Shares Purchase			4223140	5.84
	17/11/2017 - 109874 Shares Purchase			4333014	5.99
	08/12/2017 - 37980 Shares Transfer			4295034	5.94
	15/12/2017 - 37120 Shares Transfer			4257914	5.89
	19/01/2018 -12649 Shares Transfer			4245265	5.87
	26/01/2018 - 19871 Shares Transfer			4225394	5.84
	02/02/2018 - 10480 Shares Transfer			4214914	5.83
	23/02/2018 - 10000 Shares Transfer			4204914	5.82
	02/03/2018 - 80000 Shares Transfer			4124914	5.71
	09/03/2018 - 10047 Shares Transfer			4114867	5.69
c)	At the end of the year			4114867	5.69
6	**UTI - CAPITAL PROTECTION ORIENTED SCHEME - SERIES V - II (1135 DAYS)**				
a)	At the beginning of the year	1129479	1.56	1129479	1.56
b)	Date wise increase/decrease Shareholding during the year				
	23/06/2017 - 16446 Shares Transfer			1113033	1.54
	26/01/2018 - 2754 Shares Transfer			1110279	1.54
	02/02/2018 - 16482 Shares Transfer			1093797	1.51
c)	At the end of the year			1093797	1.51

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
7	**DIMENSIONAL EMERGING MARKETS VALUE FUND**				
a)	At the beginning of the year	391603	0.54	391603	0.54
b)	Date wise increase/decrease Shareholding during the year				
	22/09/2017 - 1998 Shares Purchase			393601	0.54
	05/01/2018 -1801 Shares Purchase			395402	0.55
	16/02/2018 - 1912 Shares Purchase			397314	0.55
	23/02/2018 - 2684 Shares Purchase			399998	0.55
	16/03/2018 - 1671 Shares Purchase			401669	0.56
	23/03/2018 - 2406 Shares Purchase			404075	0.56
c)	At the end of the year			404075	0.56
8	**LAKSHMI CAPITAL INVESTMENTS LIMITED**				
a)	At the beginning of the year	585354	0.81	585354	0.81
b)	Date wise increase/decrease Shareholding during the year				
	19/05/2017 - 25000 Shares Transfer			560354	0.78
	16/06/2017 - 25000 Shares Purchase			585354	0.81
	25/08/2017 - 14000 Shares Purchase			599354	0.83
	20/10/2017 - 19251 Shares Transfer			580103	0.80
	23/03/2018 - 10000 Shares Transfer			570103	0.79
	30/03/2018 - 10000 Shares Transfer			560103	0.77
c)	At the end of the year			560103	0.77
9	**COHESION INDIA BEST IDEAS (MASTER) FUND LIMITED**				
a)	At the beginning of the year	469088	0.65	469088	0.65
b)	Date wise increase/decrease Shareholding during the year				
	26/05/2017 - 48778 Shares Purchase			517866	0.72
	02/06/2017 - 26000 Shares Purchase			543866	0.75
	18/08/2017 - 15475 Shares Purchase			559341	0.77
	25/08/2017 - 15000 Shares Purchase			574341	0.79
	17/11/2017 - 10000 Shares Purchase			584341	0.81
c)	At the end of the year			584341	0.81
10	**RAMS EQUITIES PORTFOLIO FUND-INDIA EQUITIES PORTFOLIO FUND**				
a)	At the beginning of the year	596143	0.82	596143	0.82
b)	Date wise increase/decrease Shareholding during the year				
	26/05/2017 -218036 Shares Purchase			814179	1.13
	02/06/2017 - 52000 Shares Purchase			866179	1.20
	18/08/2017 - 34525 Shares Purchase			900704	1.25
	25/08/2017 - 30000 Shares Purchase			930704	1.29
	30/09/2017 - 13988 Shares Purchase			944692	1.31
	17/11/2017 - 30000 Shares Purchase			974692	1.35
c)	At the end of the year			974692	1.35
11	**MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND,L.P. #**				
a)	At the beginning of the year	854438	1.18	854438	1.18
b)	Date wise increase/decrease Shareholding during the year				
	07/04/2017 - 147441 Shares Transfer			706997	0.98
	14/04/2017 - 34192 Shares Transfer			672805	0.93
	21/04/2017 - 26377 Shares Transfer			646428	0.89
	28/04/2017 - 29867 Shares Transfer			616561	0.85
	05/05/2017 - 40000 Shares Transfer			576561	0.80
	12/05/2017 - 85702 Shares Transfer			490859	0.68
	19/05/2017 - 33975 Shares Transfer			456884	0.63
	26/05/2017 - 204915 Shares Transfer			251969	0.35
	02/06/2017 - 56069 Shares Transfer			195900	0.27
	09/06/2017 - 139309 Shares Transfer			56591	0.08
	16/06/2017 - 56591 Shares Transfer			0	0.00
c)	At the end of the year			0	0.00

S. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (As on 01.04.2017)		Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
12	**ASHISH DHAWAN ***				
a)	At the beginning of the year	265051	0.37	265051	0.37
b)	Date wise increase/decrease Shareholding during the year				
	26/05/2017 - 25000 Shares Purchase			290051	0.40
	30/09/2017 - 16326 Shares Purchase			306377	0.42
	06/10/2017 - 26361 Shares Purchase			332738	0.46
	13/10/2017 - 15058 Shares Purchase			347796	0.48
	17/11/2017 - 88451 Shares Purchase			436247	0.60
	24/11/2017 - 11549 Shares Purchase			447796	0.62
c)	At the end of the year			447796	0.62

Note:

* Not in the list of Top 10 shareholders as on 01/04/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

Ceased to be in the list of Top 10 shareholders as on 31/03/2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2017.

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

S. No	For Each of the Directors & KMP	Share holding at the beginning of the Year (As on 01.04.2017)		Cumulative Share holding during the year (01.04.2017 to 31.03.2018)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	**Dr. Rajendra Kumar Somany - Chairman and Managing Director**				
	At the beginning of the year	30,80,000	4.26	30,80,000	4.26
	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year			30,80,000	4.26
2	**Mr. Sandip Somany - Vice Chairman and Managing Director**				
	At the beginning of the year	22,83,563	3.16	22,83,563	3.16
	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year			22,83,563	3.16
3	**Ms. Sumita Somany - Director**				
	At the beginning of the year	1,61,000	0.22	1,61,000	0.22
	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year			1,61,000	0.22
4	**Mr. G.L.Sultania - Director**				
	At the beginning of the year	705	0.00	705	0.00
	Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year			705	0.00
5	**Mr. Ashok Jaipuria - Director**				
	At the beginning of the year	12,000	0.02	12,000	0.02
	Date wise increase/decrease in Share holding during the year: 13/10/2017 - 12000 Shares Transfer			12,000	0.02
	At the end of the year			-	-

S. No	For Each of the Directors & KMP	Share holding at the beginning of the Year (As on 01.04.2017)		Cumulative Share holding during the year (01.04.2017 to 31.03.2018)	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
6	**Mr. Salil Bhandari -Director**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year	-	-	-	-
7	**Mr. V.K.Bhandari - Director**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year	-	-	-	-
8	**Mr. N.G.Khaitan - Director**				
	At the beginning of the year	132	0.00	132	0.00
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year			132	0.00
9	**Dr. Rainer S. Simon - Director**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year	-	-	-	-
10	**Mr. Sandeep Sikka - Chief Financial Officer (KMP)**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year	-	-	-	-
11	**Ms. Payal M Puri - Company Secretary (KMP)**				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)			-	-
	At the end of the year	-	-	-	-

V INDEBTEDNESS

(₹ In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment					
		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year					
i)	Principal Amount	63,715.97	29,586.40	-	93,302.37
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	265.51	-	-	265.51
Total (i+ii+iii)		**63,981.48**	**29,586.40**	**-**	**93,567.88**
Change in Indebtedness during the financial year					
Additions		88,639.36	1,35,688.53		2,24,327.89
Reduction		69,725.99	1,23,360.85		1,93,086.84
Net Change		**18,913.37**	**12,327.68**		**31,241.05**
Indebtedness at the end of the financial year					
i)	Principal Amount	82,629.34	41,914.09	-	1,24,543.42
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	446.97	-	-	446.97
Total (i+ii+iii)		**83,076.31**	**41,914.09**	**-**	**1,24,990.39**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

S. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Dr. 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.	406.82	280.56	687.38
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.89	5.51	6.40
	(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	146.84	268.49	415.33
	- others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**554.55**	**554.56**	**1109.11**
	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)			**1109.11**

B. Remuneration to other directors:

(₹ In Lakhs)

S. No	Particulars of Remuneration	Name of the Directors					Total Amount
1	**Independent Directors**	Mr. Ashok Jaipuria	Mr. Salil K Bhandari	Mr. V.K. Bhandari	Mr. N.G. Khaitan	Dr. Rainer S. Simon	
	(a) Fee for attending board committee meetings	-	1.15	0.95	0.85	-	2.95
	(b) Commission	15.84	15.84	15.84	15.84	15.85	79.21
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	**15.84**	**16.99**	**16.79**	**16.69**	**15.85**	**82.16**
2	**Other Non-executive Directors**	**Ms. Sumita Somany**	**Mr. G.L. Sultania**				
	(a) Fee for attending board committee meetings	0.50	0.45				0.95
	(b) Commission	15.85	15.85				31.70
	(c) Others, please specify	-	-				-
	Total (2)	**16.35**	**16.30**				**32.65**
	Total (B)=(1+2)	**32.19**	**33.29**	**16.79**	**16.69**	**15.85**	**114.81**
	Total Managerial Remuneration (A+B) (excluding sitting fees)						**1220.02**
	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)						**1220.02**

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

(₹ In Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Payal M Puri (Company Secretary)	Mr. Sandeep Sikka (Chief Financial Officer)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	46.56	192.19	238.75
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.78	8.90	10.67
	(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	**48.34**	**201.09**	**249.42**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENSES

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			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

There were no penalties/punishments/compounding of offences during the financial year ended 31 March 2018

ANNEXURE - D

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name(s) of the related party and nature of relationship	**Nature of contracts/ arrangements/ transactions**	**Duration of the contracts/ arrangements/ transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Justification for entering into such contracts or arrangements or transactions**	**Date(s) of approval by the Board:**	**Amount paid as advances, if any**	**Date on which the special resolution was passed in general meeting as required under first proviso to section 188**
NIL							

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

(a)	(b)	(c)	(d)	(e)	(f)
Name(s) of the related party and nature of relationship	**Nature of contracts/ arrangements/ transactions**	**Duration of the contracts/ arrangements/ transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Date(s) of approval by the Board, if any**	**Amount paid as advances, if any**
Dr. Rajendra Kumar Somany - Chairman and Managing Director	Rented property in Hyderabad for the purpose of Guest House for the Company	1 April 2017 to 31 January 2018	On a monthly rental of ₹40,000/-	-	Nil
Hindware Home Retail Private Limited – Wholly owned subsidiary	Sale and Purchase of Goods	On-going	As per Invoices for ₹449.25/- Lakhs (Net of taxes)	-	Nil
Textool Merchantile Private Limited - Dr. Rajendra Kumar Somany, Mr. Sandip Somany and Mrs. Sumita Somany, Directors, holding more than 2% in the Share Capital of the said company	Payment of Rent and reimbursement of expenses of space in Mumbai Office.	Agreement for 36 months i.e. 1 February 2016 to 31 January 2019	On monthly rental of ₹20,000/- and actual expenses reimbursement	2 February 2016	Nil
Paco Exports Limited - Dr. Rajendra Kumar Somany, Mr. Sandip Somany and Mrs. Sumita Somany are Directors and holding more than 2 % in the Share Capital of the Company	Payment of Rent for Showroom in Ernakulum	Agreement for 11 Months i.e 1 April 2017 to 28 February 2018	On monthly rental of ₹2,25,471/- as per the terms and conditions that mutually agreed	2 February 2017	Nil
Mr. G.L.Sultania – Non-executive Non-Independent Director	G.L. Sultania & Co. towards professional services	Consultancy Agreement for a period of 3 years with effect from 1 April 2017 to 31 March 2020	Professional services from M/s G.L.Sultania & Co., in respect of Income Tax Law, Corporate Law, SEBI Rules, Listing Provisions etc. from time to time at consideration of ₹12,50,000/- per annum plus taxes as applicable	18 May 2017	Nil

For and on behalf of the Board of Directors

Dr. Rajendra Kumar Somany
Chairman and Managing Director

ANNEXURE - E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2017-2018

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 Responsilbitly section in this report and also in Corporate Governance Report. For detailed CSR Policy please refer Company's website at the Link : http://www.hindwarehomes.com/pdf/CSR-Policy-Version-II.pdf
2.	The Composition of the CSR Committee.	Pl. refer Corporate Social Responsilbitly section in this report and also in Corporate Governance Report.
3.	Average net profit of the company for last three financial years	₹16888.91 lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹337.78 lakhs
5.	Details of CSR spent during the financial year.	
(a) Total amount to be spent for the financial year;		₹337.78 lakhs (The Company has spent ₹345.63 lakhs during financial year 2017-18)
(b) Amount unspent, if any;		NIL

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

S. 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 Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹In Lakhs)	Cumulative expenditure upto to the reporting period (₹In Lakhs)	Amount spent : Direct or through Implementing Agency
(i)	Basic Literacy Centre (Prathamik Saksharata Kendra)	Cl. (ii) Promoting education and employment enhancing vocation skills especially among children, women;	Bahadurgarh (District- Jhajjar) Haryana	1.39	1.39	1.39	Direct/Through HSIL Corporate Social Responsibility Foundation
(ii)	Kushal Vikas (Skill Development-Computer Learning Centre)	Cl. (ii) Promoting education, including special education and enhancing vocation skills especially among children, women;	Bahadurgarh (District- Jhajjar) Haryana	3.22	3.12	3.12	Direct/Through HSIL Corporate Social Responsibility Foundation
(iii)	Skill Enhancing Vocational Training (Kaushal Vridhi)	Cl. (ii) Promoting education, including special education and enhancing vocation skills:	Bahadurgarh (District- Jhajjar) Haryana	45.96	50.45	50.45	Direct/Through HSIL Corporate Social Responsibility Foundation
(iv)	Samarth (Cutting Tailoring for Women)	Cl. (ii) Promoting education, including special education and enhancing vocation skills especially among children, women;	Bahadurgarh (District- Jhajjar) Haryana	2.05	2.07	2.07	Direct/Through HSIL Corporate Social Responsibility Foundation
(v)	Swastha Sampada (Health Care-OPD Facility)	Cl. (i) promoting health care including prevention health care;	Bahadurgarh (District- Jhajjar) Haryana	34.37	34.50	34.50	Direct/Through HSIL Corporate Social Responsibility Foundation

S. 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 Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹In Lakhs)	Cumulative expenditure upto to the reporting period (₹In Lakhs)	Amount spent : Direct or through Implementing Agency
(vi)	Swastha Sampada (Health Care)	Cl. (i) promoting health care including prevention health care;	Kaharani, Bhiwadi, Rajasthan	17.72	17.59	17.59	Direct/Through HSIL Corporate Social Responsibility Foundation
(vii)	Skill Enhancement (Kaushal Vridhi) leading to employment opportunity	Cl. (ii) Promoting education, including special education and enhancing vocation skills:	Kaharani, Bhiwadi, Rajasthan	53.16	48.73	48.73	Direct/Through HSIL Corporate Social Responsibility Foundation
(viii)	Swastha Sampada (Health Care)	Cl. (i) promoting health care including prevention health care;	Bibinagar, (District- Nalgonda) Telangana	21.11	21.20	21.20	Direct/Through HSIL Corporate Social Responsibility Foundation
(ix)	Swastha Sampada (Health Care) - Temporary Dispensary	Cl. (i) promoting health care including prevention health care;	Bhongir, Telangana	14.38	13.98	13.98	Direct/Through HSIL Corporate Social Responsibility Foundation
(x)	Contribution to Bhongir Parliamentary Constituency Development Trust (BPCDT)	Cl. (i) promoting health care including prevention health care;	Bhongir, Telangana	5.00	10.00	10.00	Direct
(xi)	Providing sanitaryware products and faucets to Maheshwari Sabha Community Services Trust	Cl. (i) promoting health care including prevention health care and sanitation and making available safe drinking water;	Bahadurgarh (District- Jhajjar) Haryana	0.46	0.46	0.46	Through HSIL Corporate Social Responsibility Foundation
(xii)	Contribution for Project - Swachh Vidyalaya	Cl. (i) promoting health care including prevention health care and sanitation and making available safe drinking water;	New Delhi	2.10	2.10	2.10	Through HSIL Corporate Social Responsibility Foundation
(xiii)	HSIL AAP KE Liye - Construction of Community Water Centre	Cl. (i) promoting health care including prevention health care and sanitation and making available safe drinking water;	Village Naya Gaon Tehsil- Tijara (District – Alwar), Rajasthan	12.97	12.97	12.97	Through HSIL Corporate Social Responsibility Foundation

S. 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 Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹In Lakhs)	Cumulative expenditure upto to the reporting period (₹In Lakhs)	Amount spent : Direct or through Implementing Agency
(xiv)	HSIL AAP KE Liye - Construction of Community Water Centre	Cl. (i) promoting health care including prevention health care and sanitation and making available safe drinking water;	Village Pahlwas, District – Rewari, Haryana	12.97	12.97	12.97	Through HSIL Corporate Social Responsibility Foundation
(xv)	Contribution for Project - Construction of Pathological laboratory in Shri Ram Krishna Cancer Hospital	Cl. (i) promoting health care including prevention health care;	G.T. Road, Deoband, Saharanpur, Muzaffarnagar highway Uttar Pradesh	15.00	15.00	15.00	Through HSIL Corporate Social Responsibility Foundation
(xvi)	Providing sanitaryware products and faucets to Ankur Homes (Udyan Care)	Cl. (i) promoting health care including prevention health care and sanitation and making available safe drinking water;	New Delhi	0.51	0.51	0.51	Through HSIL Corporate Social Responsibility Foundation
(xvii)	Construction of Crematory (Moksh Dham)	Cl. (iii) promoting gender equality and measures for reducing inequalities faced by socially and economically backward groups:	Village – Santhalka next to Neelkanth Dharamkanta, Ward No. 19, Nagar Parishad Bhiwadi, Dist- Alwar, Rajasthan	4.50	4.50	4.50	Through HSIL Corporate Social Responsibility Foundation
(xviii)	Widening road between Raigiri to Chityal	Cl. (x) rural area development	District Bhongir, Telangana	50.00	50.00	50.00	Through HSIL Corporate Social Responsibility Foundation
(xix)	Project Recognitions of Prior Learning (RPL)	Cl. (ii) Promoting education, including special education and enhancing vocation skills:	Pan India	5.00	5.00	5.00	Through HSIL Corporate Social Responsibility Foundation

S. 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 Lakhs)	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on Projects or Programs (2) Overheads (₹In Lakhs)	Cumulative expenditure upto to the reporting period (₹In Lakhs)	Amount spent : Direct or through Implementing Agency
(xx)	HSIL AAP KE Liye - Construction of Community Water Centre	Cl. (i) promoting health care including prevention health care and sanitation and making available safe drinking water;	Village Rajpura, Tehsil Pataudi, Dist- Gurugram, Haryana	11.00	11.00	11.00	Through HSIL Corporate Social Responsibility Foundation
(xxi)	HSIL AAP KE Liye - Construction of Community Water Centre	Cl. (i) promoting health care including prevention health care and sanitation and making available safe drinking water;	Village Daboda, Tehsil Farrukh Nagar, Dist- Gurugram, Haryana	12.97	12.97	12.97	Through HSIL Corporate Social Responsibility Foundation
(xxii)	Contribution to HSIL Corporate Social Responsibility Foundation	Various sectors covered by Schedule VII of the Companies Act, 2013	Pan India	2.10	2.10	2.10	Direct
(xxiii)	HSIL AAP KE Liye - Construction of Community Water Centre	Cl. (i) promoting health care including prevention health care and sanitation and making available safe drinking water;	Village Rampura, Part - 2, Tehsil Tijara, District Alwar, Rajasthan	13.00	13.00	13.00	Through HSIL Corporate Social Responsibility Foundation
	TOTAL			**340.94**	**345.63**	**345.63**	

6. During the year, the Company has spent ₹345.63 lakhs towards CSR activities, which is more than two per cent of the average net profit of the last three financial years.

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.

8. The Company formed a CSR Foundation i.e. ''HSIL Corporate Social Responsibility Foundation" and commenced contributing to the said Foundation towards various CSR activities stated above with effect from May 2017.

Place : Gurugram
Date : 30 May 2018

Dr. Rajendra Kumar Somany
Chairman and Managing Director

Salil Kumar Bhandari
Chairman of CSR Committee

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	
Dr. Rajendra Kumar Somany	373.18
Mr. Sandip Somany	336.26
Non-executive Directors	
Mrs. Sumita Somany	9.48
Mr. Vijay Kumar Bhandari	9.66
Mr. Ashok Jaipuria	9.27
Mr. Nand Gopal Khaitan	9.62
Mr. Girdhari Lal Sultania	9.46
Dr. Rainer Siegfried Simon	9.27
Mr. Salil Bhandari	9.74

*Remuneration is calculated on paid basis.

(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/decrease in remuneration in the financial year*
Dr. Rajendra Kumar Somany	(6.99)
Mr. Sandip Somany	(18.63)
Mrs. Sumita Somany	(15.75)
Mr. Vijay Kumar Bhandari	(14.74)
Mr. Ashok Jaipuria	(15.88)
Mr. Nand Gopal Khaitan	(15.40)
Mr. Girdhari Lal Sultania	(16.08)
Dr. Rainer Siegfried Simon	(15.88)
Mr. Salil Bhandari	(15.53)
Mr. Sandeep Sikka	7.05
Ms. Payal M Puri	21.37

*Remuneration is calculated on paid basis.

(iii) The percentage increase in remuneration in the median remuneration of employee in the financial year : 11.01 %

(iv) The number of permanent employees on the rolls of the Company : 4119

(v) 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 percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year: 14.79 %.

Percentile decrease in the managerial remuneration of Dr. Rajendra Kumar Somany, Chairman and Managing Director and Mr. Sandip Somany, Vice Chairman and Managing Director was 6.99 % and 18.63 % respectively.

(vi) 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.

Corporate Governance Report

COMPANY PHILOSOPHY

Our corporate governance system is founded on the pillar of transparency, and we believe in making timely disclosures and sharing accurate information regarding our financials and performance. We are also transparent in sharing information about the company's leadership and governance with our stakeholders, to whom we are committed to driving enhanced value year on year.

The Board of Directors is responsible for and committed to sound principles of Corporate Governance in the Company. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We are continuously nurturing and strengthening this framework through concerted and collective efforts of our people, under the guidance of our leadership team.

Value creation, in fact, lies at the heart of our business decisions and actions and, to this end we are perpetually striving to identify new potential and possibilities, and augment our capabilities to align them with the transforming industry demands.

HSIL's business philosophy is highly ethical, open and transparent. The company, has always maintained an integrated way of thinking which is reflected in the functioning of the Board and corporate governance framework. The Board of Directors, is committed to upholding the highest standards of accountability through an integrated way of thinking.

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 2018, the Board of Directors consisted of nine Directors, including Chairman and Managing Director, Vice Chairman and Managing Director and others.

As on 31 March 2018, 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, none of the Independent Directors are on the Board of more than 7 Listed Companies and all the Directors have made necessary disclosures regarding their Directorship and Chairmanship/ Committee Membership in other Companies as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and other applicable provisions, if any.

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

The appointment of the Chairman and Managing Director and Vice Chairman and Managing Director including the tenure and terms of remuneration, are approved by the members at their general meetings.

Four Board meetings were held during 2017-18 and the gap between two meetings did not exceed 120 days. The dates, on which the Board meetings were held, are as follows:

18 May 2017, 11 August 2017, 10 November 2017 and 29 January 2018

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2018, 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 Companies**		No. of Equity Shares held
				Chairman	Member	
Executive						
Dr. Rajendra Kumar Somany (Chairman and Managing Director)	4	Yes	4	Nil	Nil	30,80,000
Mr. Sandip Somany (Vice Chairman and Managing Director)	4	No	6	Nil	Nil	22,83,563
Non-executive and Non-Independent						
Ms. Sumita Somany	3	No	2	Nil	Nil	1,61,000
Mr. G. L. Sultania	3	Yes	10	Nil	3	705
Non-executive and Independent						
Mr. Ashok Jaipuria	2	No	1	Nil	1	Nil
Mr. N. G. Khaitan	4	No	6	3	5	132
Dr. Rainer Siegfried Simon	4	No	Nil	Nil	Nil	Nil
Mr. V. K. Bhandari	4	Yes	5	3	4	Nil
Mr. Salil Bhandari	4	Yes	2	Nil	4	Nil

*This includes Directorship in public limited companies (including subsidiaries of public limited companies) and excludes Directorship in this Company, 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.

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
- Stakeholders 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 with atleast two Independent Directors. 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 18 May 2017, 11 August 2017, 10 November 2017 and 29 January 2018. The Chairman of the Audit Committee also attended the Company's last Annual General Meeting.

The following table summarizes 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The scope of the Audit Committee is 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.

Terms 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, 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, staffing and seniority of the official heading the 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; and
- To review the internal audit report relating to internal control weaknesses.

CORPORATE AFFAIRS COMMITTEE

Composition

The Company's Corporate Affairs Committee comprises two Executive Directors and two Non-executive Directors. Dr. 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 eleven occasions during 2017-18, on 12 May 2017, 29 May 2017, 11 July 2017, 1 August 2017, 28 August 2017, 26 September 2017, 22 November 2017, 18 December 2017, 12 January 2018, 23 January 2018 and 5 March 2018.

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
Dr. Rajendra Kumar Somany	Chairman	11	11
Mr. Sandip Somany	Member	11	10
Mr. G. L. Sultania	Member	11	Nil
Mr. Salil Bhandari	Member	11	1

Scope of the Corporate Affairs Committee

The Corporate Affairs Committee's terms of reference include providing authorization 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition

During the year under review the Company's Corporate Social Responsibility Committee was reconstituted on 18 May 2017 and now it comprises of two Executive Directors, one Non-executive Non Independent Director 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 five times on 18 May 2017, 11 August 2017, 10 November 2017, 29 January 2018 and 30 March 2018. The following table summarises the attendance details of the Corporate Social Responsibility Committee members:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. Salil Bhandari	Chairman	5	4
Dr. Rajendra Kumar Somany	Member	5	5
Mr. Sandip Somany	Member	5	5
Ms. Sumita Somany*	Member	4	2

*Appointed as a member by the Board of Directors on 18 May 2017.

Scope of the Corporate Social Responsibility Committee

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 its website 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. The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

During the year, the Nomination and Remuneration Committee met twice on 18 May 2017 and 29 January 2018. 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	2	2
Ms. Sumita Somany	Member	2	2
Mr. Ashok Jaipuria	Member	2	1
Mr. V.K. Bhandari	Member	2	2

Terms 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. The scope of the Nomination and Remuneration Committee is 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;
- assisting the management of the Company in formulating and periodically reviewing the familiarization programs for independent directors, as may be required;
- formulating criteria for evaluation of Independent Directors and the Board;
- specifying the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- 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;
- 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;
- determining whether the relevant Director has the requisite qualifications for practice of a profession in terms of section 197 of the Companies Act 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 Regulations; and
- undertaking such other actions as may be necessary or appropriate for performance of the aforementioned functions.

The Remuneration Policy of the company is available on the Company's website www.hindwarehomes.com.

Detail of Remuneration of Directors

The table below provides the details of the remuneration paid to the Directors during the financial year 2017-18:

(Amount in ₹)

Name of Directors	Basic	Perquisites	Commission (for the year 2016-17)	Contribution to PF	Sitting Fee	Total
Dr. Rajendra Kumar Somany	27,685,484	9,763,997*	51,106,549	3,322,258	-	91,878,288
Mr. Sandip Somany	21,300,000	4,751,147	54,180,943	2,556,000	-	82,788,090
Ms. Sumita Somany	-	-	2,283,427	-	50,000	2,333,427
Mr. V. K. Bhandari	-	-	2,283,426	-	95,000	2,378,426
Mr. Ashok Jaipuria#	-	-	2,283,426	-	-	2,283,426
Mr. N. G. Khaitan	-	-	2,283,426	-	85,000	2,368,426
Mr. G. L. Sultania	-	-	2,283,426	-	45,000	2,328,426
Dr. Rainer S. Simon	-	-	2,283,426	-	-	2,283,426
Mr. Salil Bhandari	-	-	2,283,426	-	115,000	2,398,426
TOTAL	**48,985,484**	**14,515,144**	**121,271,475**	**5,878,258**	**390,000**	**191,040,361**

* Includes ₹5,475,000/- leave encashment.

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

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

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

The transactions with related parties are furnished in note no. 51 of financial statements, as stipulated under Accounting Standard (Ind AS) 24. Apart from related party transactions furnished in note no. 51, 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 details of 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, Non-Independent 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 3 August 2017.

With the applicability of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

STAKEHOLDERS RELATIONSHIP (SHAREHOLDERS'/INVESTORS' GRIEVANCE) COMMITTEE

Composition

The Committee comprises 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 18 May 2017, 11 August 2017, 10 November 2017 and 29 January 2018. The following table summarizes 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	3
Mr. Salil Bhandari	Member	4	4

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, 24 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 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 2018, 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's appointed Registrar and Transfer Agent.

C. OTHER MEETING

Independent Directors Meeting

During the year under review, the Independent Directors met on 29 January 2018 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 and Vice Chairman of the Company, taking into account the view of the Executive and Non-executive Directors; and
- 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.

D. GENERAL BODY MEETINGS

Annual General Meeting

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2016-17	3 August 2017	11.00 a.m.	Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700 020
2015-16	7 September 2016	12.00 Noon	
2014-15	23 September 2015	11.00 a.m.	

Four 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	
3 August 2017	2	1.	Re-appointment of Dr. Rajendra Kumar Somany (DIN: 00053557) as Chairman and Managing Director
		2.	Authorization to enter into Consultancy Contract with M/s G. L. Sultania & Co., Proprietor Mr. Girdhari Lal Sultania, Non-executive Director
7 September 2016	2	1.	Adoption of new set of Articles of Association of the Company in accordance with Companies Act, 2013
		2.	Re-appointment of Mr. Sandip Somany (DIN: 00053597) and re-designate as Vice Chairman and Managing Director
23 September 2015	NIL	-	

Extra Ordinary General Meeting
During the financial year 2017-18, no Extra Ordinary General Meeting was held.

Postal Ballot
During the financial year 2017-18, the Company did not pass any resolution through Postal Ballot.

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 a robust Risk Management framework which identifies and assesses strategic, operational, financial and compliance risks and monitors the effectiveness and efficiency of risk mitigation and control measures. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

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 the financial year 2017-18, the Company did not raise capital through public, rights and/or preferential issue.

Management
The Management Discussion and Analysis Report forms a part of the Annual Report and is in accordance with the requirements laid down in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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)
The Company 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 "vigilmech@hindware.co.in". During the year under review, no employee was denied access to Audit Committee.

Performance Evaluation
Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually, Chairman and Vice 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 Boards 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, Vice Chairman and the Non-Independent Directors was carried out by the Independent Directors 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, 2015, 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 income or net worth exceeds 20% of the consolidated income 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. The policy on Material Subsidiaries is available on the Company's website at the link http://www.hindwarehomes.com/pdf/Material-Subsidiary-Policy-Version-II.pdf

Particulars of Director seeking re-appointment
Pursuant to provisions of Companies Act, 2013, Ms. 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 30 May 2018 of the Annual General Meeting scheduled to be held on 6 September 2018.

Training of Independent Directors
As per Regulation 25 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall provide suitable training to the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company and any other relevant information, if any. 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 familiarization 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#section2.

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#section2.

Adoption of mandatory and non – mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)
The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of the Listing Regulations:

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the quarterly/half yearly/annual results in the prescribed format, are published within 48 hours in any prominent daily newspaper, such as The Financial Express and Ekdin 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 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, Business Responsibility 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 SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, results, 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 with the Registrar of Companies, 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 7407/5668
  email: hsilinvestors@hindware.co.in

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

Plant locations

Location	Address
Haryana	• Bahadurgarh, District Jhajjar -124507
Rajasthan	• G 470-471, Phase I, RIICO Industrial Area, Bhiwadi–301019 • Plot No. SPI - 254, RIICO Industrial Area, Kaharani, Bhiwadi - 301019
Telangana	• Glass Factory Road, Off Motinagar, P.B No. 1930, Sanathnagar, P.O. Hyderabad - 500 018 • Somanypuram, Brahmanapally Village, Bibinagar, District Nalgonda –508126 • Glass Factory Road, Thukkapur Road, Bhongir, District Nalgonda – 508116 • Survey No.208 to 218, Sitarampur, Patancheru (Mandal) Sangareddy Dist., Isnapur-502 307
Karnataka	• Garden Polymers, KIADB Industrial Area, Lakamanhalli, Dharward – 580004
Uttarakhand	• Khasra No.122, Pachwadoon, Mauja Central Hope Town, Pargana, Selaqui, Dehradun-248197

Company Secretary
Ms. Payal M. Puri

Annual General Meeting
The 58th Annual General Meeting is scheduled to be held on Thursday, the 6 September 2018 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Date of Book Closure
25 August 2018 to 6 September 2018 (both days inclusive).

Dividend Payment Date
Latest by 11 September 2018.

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 2018-19, 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
23, R. N. Mukherjee Road, 5th Floor, 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.

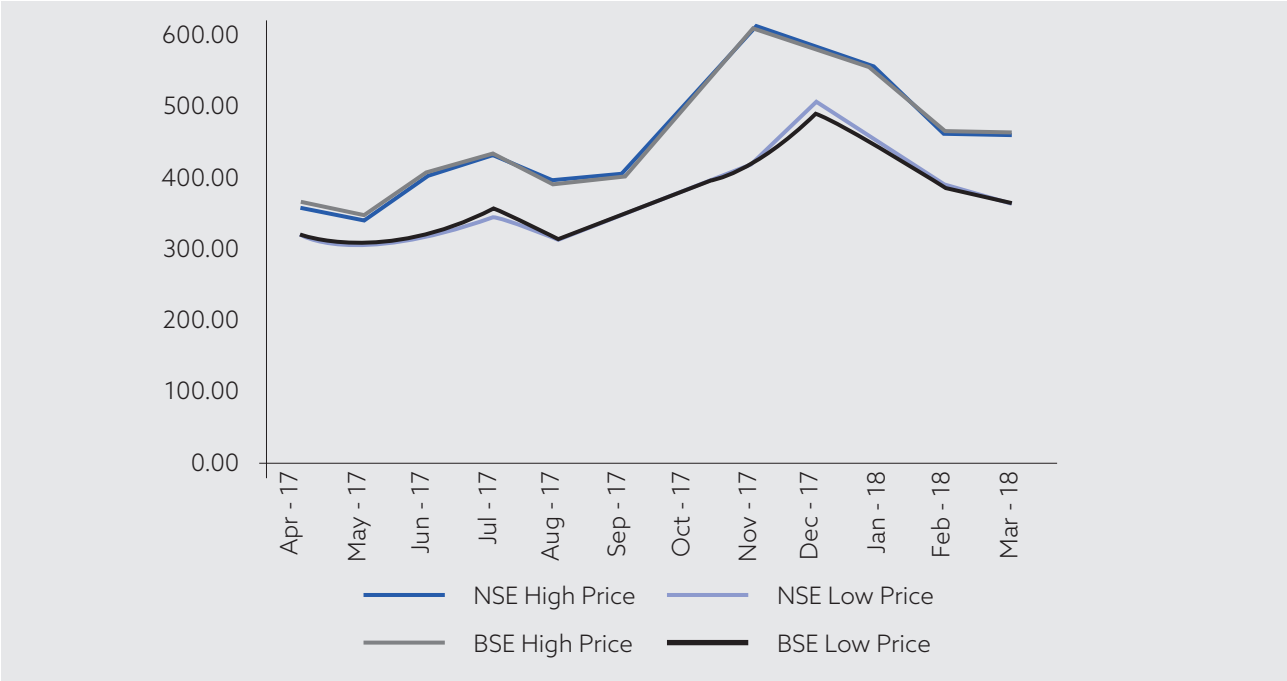
Market Price Data

Monthly stock market data of the Company's high-and-low prices of equity shares during 2017-18 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-17	366.30	336.10	374.10	335.60
May-17	354.05	324.55	359.00	326.00
Jun-17	404.80	334.70	405.00	335.35
Jul-17	424.00	356.40	424.75	365.90
Aug-17	394.00	331.00	393.00	331.25
Sep-17	401.25	358.15	401.00	359.00
Oct-17	478.00	385.55	477.00	387.00
Nov-17	564.00	414.00	564.35	410.75
Dec-17	539.95	480.05	539.85	465.30
Jan-18	513.60	431.10	509.80	432.10
Feb-18	445.05	386.15	445.00	389.80
Mar-18	443.00	368.10	449.00	368.55

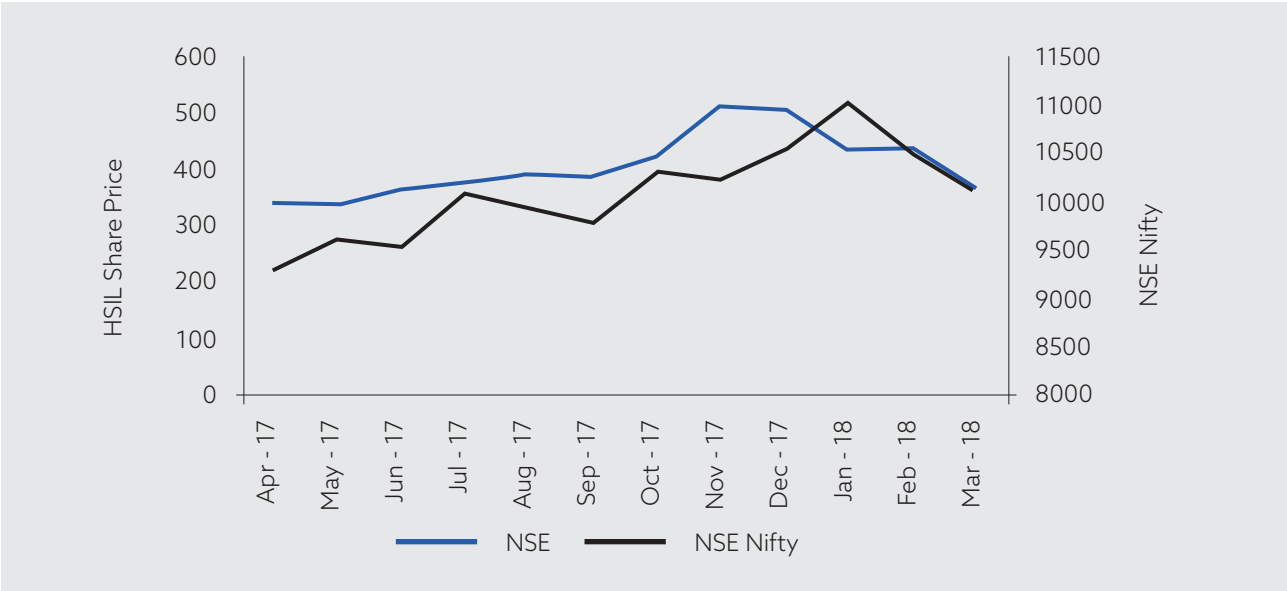
Monthly NSE and BSE prices of equity shares



Monthly closing price of HSIL shares on NSE and NSE Nifty

Month	NSE	NSE Nifty
Apr-17	340.40	9304.05
May-17	339.75	9621.25
Jun-17	365.55	9520.90
Jul-17	378.45	10077.10
Aug-17	389.90	9917.90
Sep-17	388.90	9788.60
Oct-17	424.65	10335.30
Nov-17	513.10	10226.55
Dec-17	505.25	10530.70
Jan-18	433.75	11027.70
Feb-18	439.70	10492.85
Mar-18	371.20	10113.70

Monthly closing prices of HSIL shares on NSE and NSE NIFTY



Distribution of Shareholding as on 31 March 2018

Number of Shares held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Up to 500	24036	83.07	2452021	3.39
501-1,000	2793	9.65	2206454	3.05
1,001-2,000	1210	4.18	1731894	2.40
2,001-3,000	324	1.12	816739	1.13
3,001-4,000	142	0.50	502529	0.70
4,001-5,000	95	0.33	441242	0.61
5,001-10,000	175	0.60	1243624	1.72
10,001 and above	160	0.55	62901892	87.00
Total	**28935**	**100.00**	**72296395**	**100.00**

Category of Shareholders as on 31 March 2018

Category	No. of Shares of ₹ 2 each	% of Total
Promoter	35012819	48.43
Mutual Fund/UTI	17861536	24.71
Alternative Investment Funds	385329	0.53
Foreign Portfolio Investors	4626275	6.40
Financial Institutions/Banks	197183	0.27
Insurance Companies	500	0
Foreign Institutional Investors	0	0
Foreign National	207	0
Domestic Companies/Bodies Corporate	2033406	2.81
Non-Resident Individual	1272014	1.76
Others	10907126	15.09
Total	**72296395**	**100**

Dematerialization of Shares

The details of shares dematerialised and those held in physical form, as on 31 March 2018.

Particulars of Shares	Shares of ₹ 2 each	
	Number	% of Total
Dematerialized Form		
National Securities Depository Ltd. (NSDL)	68811008	95.18
Central Depository Services (India) Ltd. (CDSL)	2670794	3.69
Physical Form	814593	1.13
Total	**72296395**	**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 your 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 2017-18.

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 Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly signed by the Vice 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's Statutory Auditors, M/s Lodha & Co., Chartered Accountants, have verified the compliances of the Corporate Governance by the Company. We have obtained a Certificate affirming the compliance from M/s Lodha & Co., Chartered Accountants, the Company's Statutory Auditors, and the same is enclosed to this Report and forms a part of the Annual Report.

Declaration by Chairman and Managing Director under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2018.

Place: Gurugram
Date: 30 May 2018

Dr. 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 year ended 31 March 2018 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 abovesaid 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, during the abovesaid period and that the same have been disclosed in the notes to the financial statements; and

   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.

Sandip Somany
Vice Chairman and Managing Director

Sandeep Sikka
Chief Financial Officer

Place: Gurugram
Date: 30 May 2018

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
HSIL Limited

1. We have examined the compliance of the conditions of corporate governance by HSIL Limited ("the Company") for the year ended 31 March 2018 as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

MANAGEMENT'S RESPONSIBILITY FOR THE STATEMENT

2. The compliance of conditions of corporate governance is the responsibility of the management of the Company. This responsibility includes the designing, implementing and operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2018.

8. We 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.

RESTRICTION ON USE

9. This certificate is issued solely for the purpose of complying with the aforesaid regulations. Our Certificate should not to be used for any other purpose or by any person other than the addressees of this Certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For **Lodha & Co.**
Chartered Accountants
Firm Registration No. 301051E

N. K. Lodha
Partner
Membership No.: 85155

Place: Gurugram
Date: 30 May 2018

Business Responsibility Report

HSIL is committed to act with integrity, honesty, compassion and high ethics in all situations. HSIL is also committed to enhance the welfare of communities where HSIL employees live and work, to protect global environment and to be compliant with laws and regulations of the country. HSIL has a Code of Conduct that every employee and business partner abides by.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L51433WB1960PLC024539
2. **Name of the Company:** HSIL Limited
3. **Registered address:** 2, Red Cross Place, Kolkata - 700001, West Bengal
4. **Website:** www.hindwarehomes.com
5. **E-mail ID:** hsilinvestors@hindware.co.in
6. **Financial Year reported:** 1 April 2017 – 31 March 2018
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
   1. 23922 - Sanitaryware
   2. 24320 - Faucets
   3. 23103 - Glass Containers
   4. 22203 - Pet bottles and Caps & Closures
   5. 22209 - Other plastic products i.e. PVC Pipes
   6. 47591, 47592- Furniture and Kitchen Utilities (Retail)
   7. 47593, 47594, 47599 - Retail sale of cooking/kitchen appliances, other electrical/electronic household goods and other household appliances
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
   1. Sanitaryware
   2. Faucets
   3. Glass Containers
9. **Total number of locations where business activity is undertaken by the Company:**
   i. Number of International Locations: NIL

   ii. Number of National Locations: 21* (Factories including Head Office, Registered Office and Regional Offices)

   *This does not include Stores, Warehouses, Depots, etc.
10. **Markets served by the Company - Local/State/National/International:**

LOCAL	STATE	NATIONAL	INTERNATIONAL
Yes	Yes	Yes	Yes

SECTION B: FINANCIAL DETAILS OF THE COMPANY (RUPEES IN LAKHS)

1	Paid up Capital (INR):	₹1445.97 lakhs (1445.93+.04 forfeited)
2	Total Turnover (INR):	₹ 228451 lakhs
3	Total profit after taxes (INR):	₹ 7476 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :	During the year under review, the Company has spent ₹345.63 lakhs, which is more than 2% of average net profit of the Company during last 3 financial years.

5. List of activities in which expenditure in 4 above has been incurred:

S. No.	Projects
1	Sanitation and Safe Drinking Water Facility
2	Community Water Centres
3	Swastha Sampada(s) (Health Care)
4	Basic Literacy Centre (Prathamik Saksharata Kendra)
5	Kushal Vikas (Skill Development-Computer Learning Centre)
6	Skill Enhancing Vocational Training Centres (Kaushal Vridhi and Recognitions of Prior Learning)
7	Samarth (Cutting Tailoring For Women)
8	Contribution Towards Socio – Economic Development

Detailed information about Corporate Social Responsibility (CSR) activities of the Company is available as a part of Directors Report which forms a part of the Annual Report. Refer to Annexure E of the Directors Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes, Company has eight (8) subsidiary companies as on 31 March 2018 including step down subsidiaries.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If Yes, then indicate the number of such Subsidiary Company(s).

The Company has four (4) Foreign subsidiaries (including step down), all these subsidiaries are complying with the applicable laws of their country. The Company has four (4) Indian subsidiaries (including step down). Hindware Home Retail Private Limited is an Indian subsidiary and follows the practices which are in line with the Company's Business Responsibility Policy. The other three (3) Companies i.e. Somany Home Innovation Limited, Brilloca Limited and Luxxis Heating Solutions Private Limited are incorporated on 28 September 2017, 2 November 2017 and 26 December 2017 respectively.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If Yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] –

The Business Responsibility Policies are applicable to the management and all the employees of the Company. The Company encourages adoption of BR initiatives by its Business Partners. Based on dialogue with the suppliers and distributors of the Company, currently less than 30% of other entities participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for Business Responsibility

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- DIN Number : 00053557
- Name : Dr. Rajendra Kumar Somany
- Designation : Chairman and Managing Director

b) Details of the BR Head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	00053557
2.	Name	Dr. Rajendra Kumar Somany
3.	Designation	Chairman and Managing Director
4.	Telephone number	Phone +91-033-22487407
5.	e-mail ID	brr@hindware.co.in

2. Principle-wise (as per NVGs) BR Policy/ policies (Reply in Y/N)

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well-being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of Compliance (Reply in Y/N)

S. No.	Questions	Business Ethics	Sustainability	Employees' Well-being	Stakeholders' Welfare	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer Responsibility
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes, the policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.hindwarehomes.com/pdf/Business-Responsibility-Policies.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, any grievances or feedback to the policies can be sent to brr@hindware.co.in								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?*	Y	Y	Y	Y	Y	Y	Y	Y	Y

* Through internal audits

b. If answer to S. No. 1 against any principle, is 'No', please explain why:

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within the next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

The BR Head annually assesses the BR performance of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes its Business Responsibility Report annually, which forms a part of Company's Annual Report. The same can be accessed on Company's website at the link: http://www.hindwarehomes.com/annualreports.aspx#section2.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company's policies on Ethics, Transparency and Accountability, along with the Code of Conduct, is applicable to all individuals working in the Company and its subsidiaries. For the foreign subsidiaries, the code is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its business partners to follow the code.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

Stakeholder	Complaints received during FY 17 -18	Complaints Resolved during FY 17 -18	Complaints Resolved (%)
Investors' Complaints	24	24	100
Consumers' Complaints	574761	573790	99.83
Total	**574785**	**573814**	**99.83**

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   We have developed many water saving sanitaryware products and 24 such products got Star Rating from IAPMO for water saving. Three of these products are as under:-

   a. Olivia One Piece Closet

   b. EWC WM Element

   c. EWC Florence 'S' with Cistern

   In Faucet Division we have received IAPMO certification for water saving for 20 Faucets during the year.

   However, in Packaging Products Division, the Company has developed Lower Weight NNPB, Press & Blow and Blow & Blow bottle, which is helping to contribute positively by reducing GHG emissions.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) :**

   - **Building Products Division**

   i) Sanitaryware: Each product when used in toilet saves around 65,000 liters of water per family (Average family of 4 people) per year.

   ii) Faucets: Each product when used saves around 50,575 litres of water per family (Average family of 4 people) per year.

   - **Packaging Products Division**

     Each MT of Glass Production requires the below resources:

     Electricity : 418 Units
     Fuels : 133 Kgs.

   a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   - **Building Products Division**
     For sanitaryware manufacturing our R&D Department is regularly working on substituting raw materials which are near to plant locations.

     For faucets more and more numbers of local vendors are being developed for components. Value engineering projects are also taken up to reduce input cost.

   - **Packaging Products Division**

     Reduction of raw material cost by developing local and alternative vendors and increasing share of quartz sand sourcing from captive mines.

   b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   - **Building Products Division**
     Estimated 52% of water saving than normal products in Star rated certified products.

   - **Packaging Products Division**

     Fuel consumption for transporting lower volume of glass saved by reducing the bottle weight by 15 to 20% on certain specific segments.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   The Company has been procuring most of the inputs from sustainable sources and our R&D Centre which

is recognized by the Department of Science and Technology, Government of India, is continuously working on finding alternate sources of raw materials. There is a proper inventory monitoring system in place to ensure procurement of raw materials as per production requirement. The Company has also worked hard to reuse part of rejected material in the manufacturing process.

There is a team which is continuously working on vendor development finding alternate sources for better sustainability. Vendor audit, validation and assessment of their capability for sustainable supply is part of vendor development process.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

- **Building Products Division**

  Most of our mineral raw materials are procured from the nearest areas to the manufacturing locations and these vendors are SMEs. For our faucet manufacturing, many components are procured from small vendors located near the plant.

  The introduction of GST has made taxation structure very uniform resulting in more sourcing from nearby SMEs as there is no difference in tax cost. This has resulted in reduction of losses due to long distance transportation.

  One of the packing materials which is Paddy Straw is procured from farmers and card board boxes are also procured from the local vendors.

- **Packaging Products Division**

  Except Soda Ash which is imported, all the raw materials (glass cullet, quartz sand, all card board packaging materials) are sourced from local suppliers. The fuels are sourced from the local suppliers both PSUs and Private suppliers.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5 - 10%, >10%). Also, provide details thereof, in about 50 words or so.

- **Building Products Division**

  For sanitaryware manufacturing, large part of such rejection is used by regrinding. In faucet plant, there is no wastage and all process rejections are re-melted and reused.

  Further, in the faucet manufacturing process multiple re-use of packing material in various stages of manufacturing has been introduced to reduce wastage of packing material.

- **Packaging Products Division**

a) Waste generated from glass bottle production (Rejections) during manufacturing is 100% recycled which is >10%.

b) ESP (Electrostatic Precipitator) was installed to remove Sox and particulate matter from chimney flue gas. Waste collected through ESP plant is reused as raw material.

c) Effluents are treated and recycled, >10%.

Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees. – 4119 (permanent employees)

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. - 4428

3. Please indicate the Number of permanent women employees. - 152

4. Please indicate the Number of permanent employees with disabilities. - 2

5. Do you have an employee association that is recognized by management? - Yes

6. What percentage of your permanent employees is members of this recognized employee association? – Building Products Division: Sanitaryware Plants – 40%, Faucet Plant – NIL, Packaging Products Division – 45%.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   (a) Permanent Employees: Building Products Division – 70%, Retail Division – 79%, Packaging Products Division – 76.38%.

   (b) Permanent Women Employees : Building Products Division - 85%, Retail Division – 75%, Packaging Products Division - 67%.

(c) Casual/Temporary/Contractual Employees: Building Products Division – 70%, Packaging Products Division – 47.25%.

(d) Employees with Disabilities - Nil.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operation.

2. **Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders.**

   Yes, the Company has identified the disadvantaged, vulnerable and marginalized sections within the local communities around its sites of operation.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   During the year under review, the Company provided cutting and tailoring skills to the women of local community under its Corporate Social Responsibility activities. Apart from this, the programmes on Basic literacy, Computer learning centre and Healthcare are also organized by the Company on regular basis. Various other activities are covered under Principle 8.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Company along with its subsidiaries follows its policy on Human Rights which are applicable to all employees in the Company. For its foreign subsidiaries, the policy is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its Business Partners to follow the policy. HSIL discourages dealing with any supplier/contractor if it is in violation of human rights and also prohibits the use of forced or child labour at all manufacturing units / with business associates.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaint was received pertaining to human rights violation during the Reporting period.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

   The policy related to Principle No. 6 covers all our manufacturing plants as well as major suppliers and contractors. In Faucet plant, during the year we have commissioned MEE (Multi Effect Evaporator) which has enabled re-use of water to its last litre and the plants are zero liquid discharge.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company is aware of environmental concerns and always strives to reduce the environmental impact:

   - **Building Products Division**
     The Company has already installed 2400 KW solar power generation system in its three plants. Effluent treatment plants and sewerage treatment plants have also been working in the plants enabling reuse of water to a great extent.

   - **Packaging Products Division**
     The Company is proposing to install additional ESP to remove SOX and particulate matter from flue gas.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the company is regularly working to assess potential environmental risk to a great extent and has shifted from oil firing equipments to firing by cleaner fuel which is natural gas/LPG/electricity. This has resulted in reduction of sulphur and CO emissions.

   Developing more and more water saving products is continuous process in plants.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   - **Building Products Division**

     The Company has installed all equipments required for meeting emission norms for air and water and have been regularly submitting test reports to the environmental authorities in the respective states. The Company also has rainwater harvesting systems in all plants. In faucet plant, 3rd stage RO and MEE has also been commissioned during the year.

- **Packaging Products Division**

  The Company has natural harvesting pits and rain water harvesting bunds made to collect the rain water, dust collectors provided to control the dust emissions in raw material handling plant, online continuous stack monitoring system provided for our chimney, green belt developed in 9 acres with different varieties of plants.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   - **Building Products Division**
     Yes, as already mentioned above, we have installed 2400 KW solar power generation systems and we have been regularly working and achieving reduction in power and fuel consumption per unit of production.

   - **Packaging Products Division**
     Yes, we have bought 59 solar REC (Renewable Energy Certificate) and 1115 Non solar REC. Air Quality Monitoring Systems which are installed and monitored continuously. The Company has also initiated to install 10 MW of Solar Power in roof top and ground mounted at two sites.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   - **Building Products Division**
     We have installed effluent treatment plants, sewerage treatment plants and dust collection systems wherever required in the manufacturing process and are meeting all prescribed emission norms.

   - **Packaging Products Division**
     We have installed, Go Green gas based AC's, LED Lighting under utilization, Energy Efficient Motors, Heatless Vaporizers and waste generated by the Company are within the permissible limits.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   No, we do not have any unresolved show cause/ legal notice from CPCB/SPCB as on end of the financial year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   (a) PHD Chamber of Commerce and Industry

   (b) Federation of Indian Chambers of Commerce and Industry

   (c) Indian Plumbing Skills Council

   (d) Indian Council of Sanitaryware Manufactures

   (e) The All India Glass Manufactures' Federation

   (f) Merchant's Chamber of Commerce and Industry, Kolkata

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Issues from various States, where we have our plants and we get effected, because of change in applicable laws, we write to them to take up the matter with respective Government departments.

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company undertakes the initiatives through the CSR Committee of the Board as per the CSR Policy of the Company. A brief outline of the policy for undertaking the CSR activities of the Company includes the following:

   - Promoting healthcare, water and sanitation programmes;

   - Promoting education, enhancing vocational skills and livelihood enhancement projects;

   - Rural development, social upliftment programmes and promotion of art and culture.

   These projects are in accordance with schedule VII of the Companies Act, 2013 and rules made thereunder.

2. **Are the programmes/projects undertaken through in house team/own foundation/ external NGO/government structures/any other organization?**

   The aforesaid projects have been carried out by the Company directly, through its own foundation and/ or indirectly through implementing agencies. The details can be found in Annexure E of the Directors Report which forms a part of the Annual Report.

3. **Have you done any impact assessment of your initiative?**

   Yes, CSR committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. **What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.**

   The Company spent an amount of ₹345.63 lakhs on major community involvement projects. More information on CSR activities of the Company are disclosed in Annexure E of the Directors Report which forms a part of the Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports, and follow-up field visits are regularly carried out. The Company has engaged its employees to drive and monitor the CSR activities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year:** 0.17 %

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information).**

   Our packaged products carry information as required under Legal Metrology Act and related rules. Besides this we also provide information related to product installation, do's and dont's for product usage and terms for claiming benefits of warranty.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   A Dealer filed a case against the Company before Hon'ble Competition Commission of India (CCI) in the year 2013 for violation of certain provisions of Competition Act. The Hon'ble CCI vide its order dated 5 February 2014 found that no prima facie case was made out against the Company and closed the matter u/s 26 (2) of Competition Act. The dealer preferred an appeal before the Hon'ble Competition Appellate Tribunal (COMPAT) against the said order and the Hon'ble COMPAT vide its order dated 7 July 2014 disposed off the appeal by giving liberty to the dealer to approach the Commission for any possible violations of the Competition Act. Subsequently the dealer filed the case for the second time before CCI wherein again Hon'ble CCI found that no prima facie case of contravention of the provisions of Competition Act was made out against the Company. Thereafter the dealer filed appeal before Hon'ble COMPAT against the order of Hon'ble CCI and said appeal was dismissed by Hon'ble COMPAT vide order dated 29 November 2016. However, the said dealer has preferred an appeal before Hon'ble Supreme Court against the said Order of Hon'ble COMPAT and said appeal is subjudice.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Since the inception of the Company, it has been our passion to deliver world class solutions, suiting every requirement of our customers, through constant development and unmatched customer service and support. With over 58 years, HSIL has established itself as leading and trusted brand, known for excellence in innovation and prompt after sales services.

   In order to measure customer satisfaction, we had adopted following two scientific and trust worthy methods:

   1) **4 digit Unique Secret Code by using advanced technology :** Where a system generated 4 digit secret code is being delivered only to customer's mobile through auto SMS at the time of registration of complaint and customer will share this Code with Service Engineer only if they are completely satisfied with our service.

   2) **Happy calling to customers:** Where our Call Center Agents are calling to the customers directly to check their satisfaction level.

   Those innovative, technology driven processes had helped us to measure Customer Satisfaction (C-SAT) and hence to ensure world class service support to our valuable customers.

Independent Auditor's Report

To The Members of
HSIL Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of HSIL Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our 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 audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone financial statements.

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

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 including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTERS

Attention is drawn to Note 55(a) to the financial statement regarding the utilisation of the Business Reconstruction Reserve ('BRR') to the extent of ₹ 210.64 lakh which was created in accordance with a scheme of arrangement (the scheme) approved by Hon'ble High Court of Calcutta. During the year the Company has impaired its investment in a foreign subsidiary amounting to ₹ 210.64 lakh and charged the same as exceptional item to standalone statement of profit and loss and withdrawn equivalent amount from BRR.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.

2. 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 purposes 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 Balance Sheet, the Statement of Profit and Loss including the other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity 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 relevant rule issued thereunder;

   (e) on the basis of the written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   (g) 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. The Company has disclosed the impact of Pending litigations, on its financial position in its standalone financial statements- Refer Note 48 to the standalone Financial Statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **LODHA & CO.**
Chartered Accountants
FRN: 301051E

(N.K. Lodha)
Partner
Membership No. 85155

Place: Gurugram
Dated: 30th May 2018

Annexure – A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the HSIL Limited on the standalone financial statements for the year ended 31 March 2018, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management according to the programme of periodical verification in 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 fixed assets. As per the programme certain fixed assets were verified during the year and no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at Balance Sheet date read with Note No. 4(6) of standalone financial statements.

(ii) As per the information and explanation given to us, the inventories of the Company (except stock lying with the third parties and goods in transit), have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.

(iii) According to the records and information and explanation made available to us, the Company has not granted any loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), hence other parts of this clause are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security.

(v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and relevant rules, hence, we do not offer any comment on the same. Further, we have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, entry tax, goods and service tax, cess and other material statutory dues, with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31 March 2018.

(b) According to the records and information & explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute except as given below.

Name of the statute	Nature of dues	Period to which amount relates	Amount involved (₹ in lakh)	Forum where dispute is pending
The Central Excise Act, 1944	Central excise	1987-89	27.81	Commissioner of Central Excise, Rohtak
		2005-06	93.24	Customs, Excise and Service Tax, Appellate Tribunal
		1999-2000	24.26	Custom, Excise and Service Tax Appellate Tribunal
		2010-11	9.71	Commissioner, Mangalore
		2004-05 to 2005-06	14.98	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
		2007-08	11.09	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
		2006-07	3.33	Commissioner (Appeals)
		2015-16	8.19	Customs, Excise and Service Tax, Appellate Tribunal

Name of the statute	Nature of dues	Period to which amount relates	Amount involved (₹ in lakh)	Forum where dispute is pending
Delhi Sales Tax Act,1975	Sales Tax	2004-05 to 2010-11	66.13	Add. Commissioner (Sales Tax)
Delhi Sales Tax Act,1975	Sales Tax	2010-11 to 2011-12	172.88	Spl. Comm / Commissioner (Sales Tax)
Delhi Sales Tax Act,1975	Sales Tax	2013-14	37.48	Delhi Sales Tax Tribunal
Andhra Value Added Tax Act	Sales Tax	2011-12 to 2012-13	3.75	Appellate Deputy Commissioner Rural Division, Hyderabad
Central Sales Tax Act	Sales Tax	2014-15	91.53	The Appellate Dy. Comm. Rural Division, Hyderabad
Andhra Value Added Tax Act	Sales Tax	2011-12 to 2012-13	3.75	The Appellate Dy. Comm. Rural Division, Hyderabad
Entry Tax Act, 2001	Entry Tax	2011-12 to 2016-17	70.80	The Appellate Dy. Comm. Rural Division, Hyderabad
Finance Act, 1994	Service Tax	2005-06 to 2006-07	1.60	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994	Service Tax	2010-11 to 2011-12	37.57	The Hon'ble Supreme Court of India.
Income Tax Act, 1961	Income Tax	2012-13	3.84	Commissioner Income Tax (Appeals), Hubli
Telangana Tax on Entry of Goods into Local areas Act, 2001	Entry Tax	2011-12 to 2016-17	3961.13	High Court Judicature of Hyderabad
The Central Sales Tax Act	Sales Tax	2012-13	13.54	Dy. Commissioner (State Tax-Hyderabad)
The Central Sales Tax Act	Sales Tax	FY 2014-15	71.21	Commercial Tax Officer
The Central Sales Tax Act	Sales Tax	2007-08 to 2011-12	110.98	Ass. Commissioner of Sales Tax
The Central Sales Tax Act	Sales Tax	2012-13 to 2013-14	5.50	Dy. Commissioner of Sales Tax
Maharashtra Value Added Tax Act	Sales Tax	2010-11 to 2011-12	33.56	Ass. Commissioner of Sales Tax
Maharashtra Value Added Tax Act	Sales Tax	2012-13 to 2013-14	7.36	Dy. Commissioner of Sales Tax

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). On the basis of information and explanation given to us, term loans have been applied for the purposes for which they were obtained.

(x) Based on the audit procedures performed and on the basis of information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) On the basis of records and information and explanations made available and based on our examinations of the records of the company, the company has paid / provided managerial remuneration, in accordance with the requisite approvals mandated under Section 197 read with Schedule V of the Act.

(xii) On the basis of information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the said order is not applicable.

(xiii) As per the information and explanations and records made available by the management of the company and audit procedures performed, for the related parties transactions entered during the year, the company has complied with the provisions of section 177 and 188 of the Act, where applicable. As explained and as per the records / details, the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. (Refer Note no.51)

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **LODHA & CO.**
Chartered Accountants
FRN: 301051E

(N.K. Lodha)
Partner
Membership No. 85155

Place: Gurugram
Dated: 30th May 2018

Annexure – B to the Auditors' Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of HSIL Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **LODHA & CO.**
Chartered Accountants
FRN: 301051E

(N.K. Lodha)
Partner
Membership No. 85155

Place: Gurugram
Dated: 30th May 2018

Standalone Balance Sheet

as at 31 March 2018

(₹ in lakh)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	1,64,915.56	1,49,242.76
(b) Capital work-in-progress		20,937.50	15,157.87
(c) Goodwill	5	2,694.22	2,694.22
(d) Other intangible assets	6	497.07	390.79
(e) Financial assets			
(i) Investments	7	3,455.34	3,503.53
(ii) Loans	8	2,072.72	1,850.68
(iii) Other financial assets	9	27.69	24.64
(f) Income-tax assets (net)	10	6,027.83	5,436.72
(g) Other non-current assets	11	4,058.46	9,881.77
Total non-current assets		**2,04,686.39**	**1,88,182.98**
2 Current assets			
(a) Inventories	12	56,429.93	49,249.68
(b) Financial assets			
(i) Investments	13	-	10,455.14
(ii) Trade receivables	14	51,408.55	39,717.19
(iii) Cash and cash equivalents	15	23,518.70	13,956.41
(iv) Bank balances other than (iii) above	16	456.37	425.21
(v) Loans	17	81.36	139.87
(vi) Other financial assets	18	1,100.60	263.93
(c) Other current assets	19	9,808.80	6,371.15
Total current assets		**1,42,804.31**	**1,20,578.58**
Total assets		**3,47,490.70**	**3,08,761.56**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	20	1,445.97	1,445.97
(b) Other equity	21	1,47,481.17	1,43,557.74
Total equity		**1,48,927.14**	**1,45,003.71**
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	52,302.06	31,732.92
(ii) Other financial liabilities	23	5,251.40	5,591.49
(b) Provisions	24	1,021.38	957.37
(c) Deferred tax liabilities (net)	25	21,154.21	20,768.33
(d) Other non-current liabilities	26	206.40	154.44
Total non-current liabilities		**79,935.45**	**59,204.55**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	63,671.16	50,370.01
(ii) Trade payables	28	21,736.61	19,660.37
(iii) Other financial liabilities	29	28,565.04	30,388.54
(b) Other current liabilities	30	4,329.74	3,836.05
(c) Provisions	31	325.56	298.33
Total current liabilities		**1,18,628.11**	**1,04,553.30**
Total liabilities		**1,98,563.56**	**1,63,757.85**
Total equity and liabilities		**3,47,490.70**	**3,08,761.56**

Notes 1 to 62 form an integral part of these standalone financial statements.
In terms of our report attached.

For and on behalf of the Board of Directors

For **Lodha & Co**
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Payal M. Puri
Company Secretary
ACS No.: 16068

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Sandeep Sikka
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended 31 March 2018

(₹ in lakh)

Particulars		Note	Year ended 31 March 2018	Year ended 31 March 2017
I	Revenue from operations	32	2,28,451.27	2,22,654.68
II	Other income	33	971.32	454.64
III	**Total income**		**2,29,422.59**	**2,23,109.32**
IV	**Expenses**			
	Cost of materials consumed	34	41,743.53	37,059.40
	Purchases of stock-in-trade	35	54,683.70	43,940.06
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(7,537.97)	(648.49)
	Excise duty on sales		3,500.03	15,492.15
	Employee benefits expense	37	30,887.11	28,633.03
	Finance costs	38	5,575.92	3,335.86
	Depreciation and amortisation expense	39	11,403.99	11,083.31
	Other expenses	40	77,935.96	69,248.45
	Total expenses		**2,18,192.27**	**2,08,143.77**
V	**Profit before exceptional items and tax**		**11,230.32**	**14,965.55**
VI	**Exceptional items (refer note 55 (a) and 61)**		(864.79)	-
	Less: transferred from business reconstruction reserve (refer note 55 (a))		210.64	-
VII	**Profit before tax**		**10,576.17**	**14,965.55**
VIII	**Tax expense**	41		
	(1) Current tax		2,787.21	4,889.31
	Earlier year income tax		1.43	-
	(2) Deferred tax		311.45	(224.84)
	Total tax expense		**3,100.09**	**4,664.47**
IX	**Profit for the year**		**7,476.08**	**10,301.08**
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plan		112.04	81.13
	(b) Changes in fair value of equity instruments through other comprehensive income		100.95	228.42
	(ii) Income-tax relating to these items		(74.43)	(55.94)
	Other comprehensive income, net of tax		**138.56**	**253.61**
XI	**Total comprehensive income for the year**		**7,614.64**	**10,554.69**
XII	**Earnings per equity share (of ₹ 2/- each):**			
	Basic and diluted (refer note 46)		10.34	14.25

Notes 1 to 62 form an integral part of these standalone financial statements.

In terms of our report attached.

For and on behalf of the Board of Directors

For **Lodha & Co**
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Payal M. Puri
Company Secretary
ACS No.: 16068

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Sandeep Sikka
Chief Financial Officer

Standalone Cash Flow Statement

for the year ended 31 March 2018

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the Year ended 31 March 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	10,576.17	14,965.55
Adjustments for:		
Finance costs	5,575.92	3,335.86
Transfer from business reconstruction reserve	(210.64)	-
Investment income	(11.41)	(8.19)
Interest income	(137.62)	(187.41)
Deferred government grant	(635.32)	-
Gain on disposal of property, plant and equipment	(22.87)	(19.54)
Loss on disposal of property, plant and equipment	25.52	317.54
Net (gain) arising on current investments	-	(5.14)
Sundry balances and liabilities no longer required, written back	(573.50)	(208.99)
Provision for expected credit loss	569.94	527.53
Bad debts written off	3.88	0.01
Depreciation and amortisation expense	11,403.99	11,083.31
Net foreign exchange (gain)	133.34	(361.08)
	26,697.40	**29,439.45**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(13,321.10)	(952.19)
(Increase)/decrease in inventories	(7,180.25)	(1,082.77)
(Increase)/decrease in other assets	(339.74)	(5,034.23)
Increase/(decrease) in trade and other liabilities	3,206.53	5,208.57
Increase/(decrease) in provisions	91.24	154.75
Cash generated from operations	**9,154.08**	**27,733.58**
Income taxes paid	(3,379.74)	(7,281.34)
Net cash generated by operating activities	**5,774.34**	**20, 452.24**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire financial assets	(5,433.03)	(20,198.19)
Proceeds on sale of financial assets	16,158.41	9,743.19
Interest received	161.06	74.28
Amounts advanced to related parties	32.29	85.62
Payments for property, plant and equipment	(29,678.78)	(22,581.02)
Proceeds from disposal of property, plant and equipment	184.02	141.95
Movement in other bank balances	(34.22)	(96.81)
Net cash generated/(used in) investing activities	**(18,610.25)**	**(32,830.98)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	26,900.00	22,986.58
Repayment of borrowings	(9,022.76)	(12,558.95)
Movement in short term borrowings (net)	13,230.46	21,152.95
Taxes on dividend paid	(588.71)	(588.71)
Dividends paid to owners of the Company	(2,882.72)	(2,880.91)
Interest paid	(5,238.07)	(3,328.07)
Net cash generated/(used in) in financing activities	**22,398.20**	**24,782.89**
Net increase in cash and cash equivalents:	**9,562.29**	**12,404.15**
Cash and cash equivalents at the beginning of the year	13,956.41	1,552.26
Cash and cash equivalents at the end of the year	**23,518.70**	**13,956.41**

Standalone Cash Flow Statement

for the year ended 31 March 2018

Disclosure made pursuant to amendment made in Ind AS-7 :-
The movement in liabilities from financing activities:

(₹ in lakh)

	As at 31 March 2017	Cash Flows	Non-Cash Flow Changes		As at 31 March 2018
			Foreign Exchange	Other	
Long term borrowings	40,755.89	17,877.24	62.65	635.32	59,331.10
Short term borrowings	50,370.01	13,230.46	70.69	-	63,671.16
Total liabilities from financing activities	**91,125.90**	**31,107.70**	**133.34**	**635.32**	**1,23,002.26**

Notes 1 to 62 form an integral part of these standalone financial statements.
In terms of our report attached.

For and on behalf of the Board of Directors

For Lodha & Co
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Payal M. Puri
Company Secretary
ACS No.: 16068

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Sandeep Sikka
Chief Financial Officer

Standalone Statement of Changes in Equity

for the year ended 31 March 2018

A. EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	Number of shares	Amount
Subscribed and paid up capital		
Balance as at 1 April 2016	**7,22,96,395**	**1,445.97**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	**7,22,96,395**	**1,445.97**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**7,22,96,395**	**1,445.97**

B. OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and surplus						Other comprehensive income		Total
	Capital reserve	Securities premium reserve	General reserve	Capital redemption reserve	Business reconstruction reserve	Retained earnings	Actuarial gain / (loss)	FVOCI - equity instruments	
Balance as at 1 April 2016	80.92	45,497.87	24,903.64	15.00	20,419.58	44,666.64	(81.31)	1,792.03	**1,37,294.37**
Profit for the year	-	-	-	-	-	10,301.08	-	-	**10,301.08**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-	52.40	201.21	**253.61**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**10,301.08**	**52.40**	**201.21**	**10,554.69**
Less: transactions with owners in their capacity as owners									
Payment of equity dividends (including dividend distribution tax)	-	-	-	-	-	3,480.57	-	-	**3,480.57**
Less: Transfer to statement of profit and loss during the year [also refer note 55(b)]	-	-	-	-	838.63	-	-	-	**838.63**
Less: Deferred tax charge on business reconstruction reserve for the year	-	-	-	-	27.88	-	-	-	**27.88**
Balance as at 31 March 2017	**80.92**	**45,497.87**	**24,903.64**	**15.00**	**19,608.83**	**51,487.15**	**(28.91)**	**1,993.24**	**1,43,557.74**
Profit for the year	-	-	-	-	-	7,476.08	-	-	**7,476.08**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-	72.89	65.67	**138.56**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7,476.08**	**72.89**	**65.67**	**7,614.64**
Less:									
Payment of dividends (including dividend distribution tax)	-	-	-	-	-	3,480.57	-	-	**3,480.57**
Transfer to statement of profit and loss during the year [also refer note 55(a)]	-	-	-	-	210.64	-	-	-	**210.64**
Balance as at 31 March 2018	**80.92**	**45,497.87**	**24,903.64**	**15.00**	**19,398.19**	**55,482.66**	**43.98**	**2,058.91**	**1,47,481.17**

Notes 1 to 62 form an integral part of these standalone financial statements.
In terms of our report attached.

For **Lodha & Co**
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

For and on behalf of the Board of Directors

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Payal M. Puri
Company Secretary
ACS No.: 16068

Sandeep Sikka
Chief Financial Officer

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

1. CORPORATE INFORMATION

HSIL Limited (the 'Company') is a public limited company incorporated in India. The registered office of the Company is situated in Kolkata and the corporate office is in Gurugram. The Company is into the business of manufacturing, selling and trading of building products, glass products & Plastic packaging products, consumer products and retail business. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

2. APPLICATION OF NEW AND REVISED INDIAN ACCOUNTING STANDARD ("IND AS")

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the standalone financial statements are authorized have been considered in preparing these standalone financial statements.

2.1 Recent accounting pronouncements

Standards issued but not yet effective

On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. These amendments will come into force for financial periods beginning on or after 1 April, 2018.

Ind AS 115-Revenue from Contract with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. As per revised standard an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company is in the business of manufacturing, selling and trading of building products, glass products, plastic packaging products, consumer products and retail business. The goods and services are sold both on their own in separate identified contracts with customers and together as a bundled package of goods and/or services. The new revenue standard provide for either full retrospective application or modified retrospective application for annual period beginning on or after 1 April, 2018.

The Company will adopt the standard on 1 April, 2018 by using the cumulative catch-up transition approach and accordingly comparatives for the year ending or ended 31 March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Additional disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers, are required to be made.

Ind AS 21, Foreign currency transactions and advance consideration

Appendix B of Ind AS 21 has clarified that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, shall be date when an entity has received or paid advance consideration in a foreign currency.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses

It has been clarified that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. It also provide guidance about how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments. These amendments are effective for annual periods beginning on or after 1 April 2018 (applying retrospectively). These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

3. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

3.1 Statement of compliance with Indian Accounting Standards (Ind AS)

The standalone financial statements of the Company have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accordingly, the standalone financial statements for the year ended 31 March 2018 are prepared complying applicable Ind AS.

The standalone financial statements of HSIL Limited as at and for the year ended 31 March 2018 (including comparatives) were approved and authorised for issue by the Board of Directors on 30 May 2018.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

3.2 Historical cost convention

These standalone financial statements have been prepared on a historical cost convention except where certain financial assets and liabilities have been measured at fair value.

3.3 Business combinations

Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

3.4 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

3.5 Revenue recognition

Revenue arises from sale of goods and rendering of services. It is measured at the fair value of the consideration received or receivable excluding sales tax and reduced by any rebates and trade discount allowed.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the accounting period in which such services are rendered. For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Interest and dividends

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividends are recognised at the time the right to receive payment is established.

3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Company as the lessor

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

Company as the lessee

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on straight-line basis unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected inflationary cost increases.

3.7 Foreign currency transactions and translations

Initial recognition

The Company's standalone financial statements are presented in INR, which is also the Company's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

Measurement at the balance sheet date

Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred and reported in finance cost.

3.9 Government grants

The Company received refundable government loans at below market rate of interest which are accounted in accordance with the recognition and measurement principles of Ind AS 109, Financial Instruments. The benefit of below- market rate of interest is measured as the difference between the initial carrying value of loan determined in accordance with Ind AS 109 and the proceeds received. It is recognized as income when there is reasonable assurance that the Company will comply with all necessary conditions attached to the loans. Income from such benefit is recognized on a systematic basis over the period of the loan during which the company recognizes interest expense corresponding to such loans.

The company is entitled to subsidies from government in respect of certain government schemes.

Income from subsidies is recognized on a systematic basis over the periods in which the related costs that are intended to be compensated by such subsidies are recognised.

3.10 Employee benefits

Employee benefits include provident fund, pension fund, gratuity and compensated absences

Defined contribution plans

The Company's contribution to provident fund and pension fund is considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees. The Company has no legal or constructive obligation to pay contribution in addition to its fixed contribution. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under Employees Provident Fund and Misc. Provisions Act, 1952 and short fall, if any, shall be made good by the company.

In respect of certain employees contributions are made to a trust administrated by the Company/ employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using 'the Projected Unit Credit method', with actuarial valuations being carried out at each Balance Sheet date. Re-measurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are allowed to carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date out of which the obligations are expected to be settled.

3.11 Taxation

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement".

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. The MAT Credit Entitlement is disclosed under the head 'Deferred tax liabilities (net)'.

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although Ind AS 12, Income Taxes, specifies limited exemptions.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.12 Operating cycle

Based on the nature of products/activities of the Company and the normal time between purchase of raw materials and their realisation in cash or cash equivalents, the Company has determined its operation cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.13 Operating expenses

Operating expenses are recognised in statement of profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Company incurs an obligation, which is typically when the related goods are sold.

3.14 (a) Property, plant and equipment

Freehold land is carried at historical cost except for certain class of land which had been revalued in financial year 2009-10 and 2011-12. All other items of Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Property, plant and equipment are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation.

The carrying amount of assets, including those assets that are not yet available for use, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, recoverable amount of asset is determined. An impairment loss is recognised in the statement of profit and loss whenever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

the net book value that would have been determined if no impairment loss had been recognised.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises the new part and is depreciated accordingly. Further, when major overhauling/ repair are performed, the cost associated with this is capitalised, if the recognition criteria are satisfied, and is then depreciated over the remaining useful life of asset or over the period of next overhauling due, whichever is earlier. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Intangibles are stated at cost less accumulated amortization and impairment losses (if any). Cost related to technical assistance for new projects are capitalized.

(c) Capital work-in-progress

Expenditure incurred during the period of construction, including all direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress includes capital inventory.

3.15 Depreciation and amortisation

Depreciation is charged on a pro-rata basis on the straight line method at rates prescribed in Schedule II to the Companies Act, 2013 and is charged to the statement of profit and loss. Freehold land is not depreciated.

The estimated useful life of the items of property, plant and equipment are as follows:

Asset class	Useful life
Property, plant and equipment	
Plant and machinery	7.5-25 years*
Buildings	10-60 years
Furniture and fixtures	10 years
Office equipment	5 years
Computer	3-6 years
Vehicles	8 years**
Intangible assets	
Technical know-how	10 years
Software	6 years

* Furnaces, part of the glass plant of the Company, includes in plant and machinery, are depreciated over a life of 6.5 years which is different from life prescribed in Schedule II of the Act, based on independent chartered engineer certificate.

** Vehicles are being depreciated using written down value method as per life of 8 years mentioned in Schedule II of the Act.

3.16 Impairment of property, plant and equipment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). If at the balance sheet date, there is an indication that 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 and the same is accordingly reversed in the statement of profit and loss.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition. Cash and cash equivalent are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.19 Inventories

Inventories are stated at the lower of cost or net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Costs of inventories are determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

3.20 Provisions and contingencies

A provision is recognised in the standalone financial statements where there exists a present obligation as a result of a past event, the amount of which can be reliably estimated, and it is probable that an outflow of resources would be necessitated in order to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes unless the outflow of resources is considered to be remote. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

3.21 Equity, reserves and dividend payments

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings include current and prior period retained profits. All transactions with owners of the Company are recorded separately within equity.

Dividend distribution payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

3.22 Earnings per share

Basic earnings or loss per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings or loss per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.23 Fair value measurement

The Company measures financial instruments such as investments in mutual funds, investment in certain equity shares etc. at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.24 Financial instruments

I. Financial assets

a. Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset, which are not at fair value through profit and loss, are added to fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

b. Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give

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rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) **Financial assets at fair value through other comprehensive income (FVOCI)**
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) **Financial assets at fair value through profit or loss (FVTPL)**
A financial asset which is not classified in any of the above categories are subsequently fair valued through statement of profit and loss.

c. **Impairment of financial assets**
The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its assets measured at amortised cost and assets measured at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42 details how the Company determines whether there has been a significant increase in credit risk.

d. **Derecognition of financial assets**
A financial asset is derecognised when:

- The Company has transferred the right to receive cash flows from the financial assets or

- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity transfers the financial asset, it evaluates the extent to which it retains the risk and rewards of the ownership of the financial assets. If the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. If the entity retains substantially all the risks and rewards of ownership of the financial asset, the entity shall continue to recognise the financial asset.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of the ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial assets, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

II. Financial liabilities

a. **Initial recognition and subsequent measurement**
All financial liabilities are recognized initially at fair value and in case of borrowings and payables, net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Changes in the amortised value of liability are recorded as finance cost.

III. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realization on future date.

IV. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.25 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts,

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interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 43.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.26 Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) **Estimation of defined benefit obligation**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(ii) **Estimation of current tax and deferred tax**

Management judgment is required for the calculation of provision for income - taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to adjustment to the amounts reported in the standalone financial statements.

(iii) **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain property, plant and equipment.

(iv) **Impairment of trade receivables**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(v) **Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer note 43).

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NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

Description of assets	Land-Freehold	Land-Leasehold	Buildings	Leasehold improvements	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Gross block										
Opening balance as at 1 April 2016	48,978.62	3,643.16	34,107.02	927.79	67,384.92	606.19	3,110.25	764.75	1,401.08	**1,60,923.78**
Additions	-	-	2,293.63	26.07	6,003.97	111.90	1,013.49	287.74	1,352.25	**11,089.05**
Disposals/adjustment	-	-	-	(245.16)	(46.85)	(20.21)	(121.26)	(23.65)	(217.25)	**(674.38)**
Effect of foreign currency translation on long term monetary items	-	-	(17.49)	-	(145.27)	-	-	-	-	**(162.76)**
Balance as at 31 March 2017	**48,978.62**	**3,643.16**	**36,383.16**	**708.70**	**73,196.77**	**697.88**	**4,002.48**	**1,028.84**	**2,536.08**	**1,71,175.69**
Additions	-	4,046.37	3,533.42	98.83	15,597.56	297.87	2,040.30	412.70	1,166.28	**27,193.33**
Disposals/adjustment	-	-	(5.16)	-	(64.67)	(4.65)	(30.85)	(16.78)	(298.98)	**(421.09)**
Balance as at 31 March 2018	**48,978.62**	**7,689.53**	**39,911.42**	**807.53**	**88,729.66**	**991.10**	**6,011.93**	**1,424.76**	**3,403.38**	**1,97,947.93**
II. Accumulated depreciation and amortisation										
Opening balance as at 1 April 2016	-	-	1,324.54	135.17	8,480.60	220.31	482.85	197.93	298.33	**11,139.73**
Depreciation and amortisation charge for the year	-	-	1,379.81	81.46	8,169.15	151.18	523.15	232.08	490.79	**11,027.62**
Disposals/adjustment	-		-	(8.35)	(9.06)	(15.83)	(12.15)	(21.31)	(167.72)	**(234.42)**
Balance as at 31 March 2017	**-**	**-**	**2,704.35**	**208.28**	**16,640.69**	**355.66**	**993.85**	**408.70**	**621.40**	**21,932.93**
Depreciation and amortisation charge for the year	-	18.48	1,451.65	82.27	7,912.97	143.79	721.32	269.16	683.12	**11,282.76**
Disposals/adjustment	-	36.36	-	(0.03)	(18.46)	(3.78)	(13.34)	(15.90)	(168.17)	**(183.32)**
Balance as at 31 March 2018	**-**	**54.84**	**4,156.00**	**290.52**	**24,535.20**	**495.67**	**1,701.83**	**661.96**	**1,136.35**	**33,032.37**
Net block (I-II)										
Balance as at 31 March 2018	**48,978.62**	**7,634.69**	**35,755.42**	**517.01**	**64,194.46**	**495.43**	**4,310.10**	**762.80**	**2,267.03**	**1,64,915.56**
Balance as at 31 March 2017	**48,978.62**	**3,643.16**	**33,678.81**	**500.42**	**56,556.08**	**342.22**	**3,008.63**	**620.14**	**1,914.68**	**1,49,242.76**

Note :

1. Refer note 22 and 27 for details of property, plant and equipment pledged as security by the Company.
2. Capital work-in-progress mainly comprises of cost incurred on building, plant and equipments etc. which are currently under construction and borrowing cost capitalised ₹ 716.56 lakh (previous year ₹ 99.44 lakh)
3. In the current year ₹ 13.54 lakh (previous year gain of ₹ 162.76 lakh) has been capitalised to the cost of property, plant and equipment on account of exchange differences arised from translation of long-term foreign currency monetary items.
4. Building having carrying amount of ₹6620.65 lakh (previous year ₹6757.34 lakh) constructed on leasehold land.
5. Possession awaited of 2740 sq. mtr., part of land.
6. Land having carrying value of ₹ 17191.01 lakh (previous year ₹ 17191.01 lakh), mutation is pending in the name of company.
7. Borrowing cost capitalised ₹ 478.93 lakh.

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NOTE 5 - GOODWILL

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Gross carrying value	2,694.22	2,694.22

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

(₹ in lakh)

Goodwill	
Balance as at 1 April 2016	**2,694.22**
Accumulated impairment	-
Balance as at 31 March 2017	**2,694.22**
Accumulated impairment	-
Balance as at 31 March 2018	**2,694.22**

Allocation of goodwill to cash generating units:

For the purpose of impairment testing, goodwill is allocated to the Garden Polymers division which represents the lowest level within the Company at which the goodwill is monitored for internal management purposes, which is not higher than the Company's operating segments.

The Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the cash generating units ("CGU") is determined from value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. These assumptions have been determined in light of the economic environment which has resulted in more conservative estimates about the future. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. (A reduction in the availability of credit has led to an increase in the cost of capital and therefore, the discount rate applied to future cash flows has increased.) Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. It is anticipated that sales volumes will remain at a similar level to the current year taking into account the market conditions.

The Company has conducted a sensitivity analysis on the impairment test of CGU carrying value. Change in the discount rate and growth rate by +/- 1% points would not impact in carrying value of goodwill (with other factors remains constant).

Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit. Unless indicated otherwise, value in use in 2017-18 has been determined similarly as in 2016-17. The calculation of the value in use is based on the following key assumptions:

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	15%	10%
Terminal value of growth rate	3%	2%

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NOTE 6 - OTHER INTANGIBLE ASSETS

(₹ in lakh)

Description of assets	Technical know-how	Trade mark	Computer software	Total
I. Gross Block				
Opening balance as at 1 April 2016	**103.47**	**-**	**609.97**	**713.44**
Additions	-	-	35.89	35.89
Disposals	-	-	-	-
Balance as at 31 March 2017	**103.47**	**-**	**645.86**	**749.33**
Additions	-	94.62	144.06	238.68
Disposals	-	-	-	-
Balance as at 31 March 2018	**103.47**	**94.62**	**789.92**	**988.01**
II. Accumulated amortisation				
Opening balance as at 1 April 2016	**21.31**	**-**	**179.05**	**200.36**
Amortisation charge for the year	21.32	-	136.86	158.18
Disposals	-	-	-	-
Balance as at 31 March 2017	**42.63**		**315.91**	**358.54**
Amortisation charge for the year	21.31	0.07	111.02	132.40
Disposals	-	-	-	-
Balance as at 31 March 2018	**63.94**	**0.07**	**426.93**	**490.94**
Net block (I-II)				
Balance as on 31 March 2018	**39.53**	**94.55**	**362.99**	**497.07**
Balance as on 31 March 2017	**60.84**	**-**	**329.95**	**390.79**

NOTE 7 - NON CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
A. Fair value through other comprehensive income (FVOCI)				
I. Quoted investments (fully paid up)				
Investments in equity instruments				
Neycer India Limited (face value ₹ 10 each)	125	0.01	125	0.01
Quoted investments (I)		**0.01**		**0.01**
II. Unquoted investments (fully paid-up)				
Investments in equity instruments				
Andhra Pradesh Gas Power Corporation Limited (face value ₹ 10 each)	8,04,000	3,240.22	8,04,000	3,139.27
Indian Plumbing Skills Council (face value ₹ 10 each)	60,000	6.00	60,000	6.00
Swastik Sanitarywares Limited (face value ₹ 10 each)	50	0.01	50	0.01
Unquoted investments (II)		**3,246.23**		**3,145.28**
Investments carried at FVOCI (AI+AII)		**3,246.24**		**3,145.29**
Total investments carried at fair value [A]		**3,246.24**		**3,145.29**
B. At cost				
Unquoted investments (fully paid-up)				
Investments in equity instruments of subsidiaries				
Hindware Home Retail Private Limited (face value ₹ 10 each) [also refer note 54]	6,40,000	8.72	6,40,000	8.72
Halis International Limited, Mauritius (face value USD 1 each)	17,05,000 782.50		17,05,000 782.50	
Less : Provision for impairment of investments	(782.50)	-	(782.50)	-
Alchemy International Cooperatief U.A., Netherlands (Euro 180)	180	0.12	180	0.12

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 7 - NON CURRENT INVESTMENTS (CONTD.)

(₹ in lakh)

Particulars	As at 31 March 2018			As at 31 March 2017		
	Number		Amount	Number		Amount
Halis International Limited, Mauritius (face value USD 1 each)	19,47,000	1,111.68		18,98,000	1,079.98	
Less : Provision for impairment of investments		(1,071.60)	40.08		(860.96)	219.02
Somany Home Innovation Ltd -(face value ₹ 2 each)	5,00,000		10.00			-
Luxxis Heating Solution Pvt. Ltd -(face value ₹ 10 each)	2,00,000		20.00			-
Equity component in debt instruments of subsidiaries						
Hindware Home Retail Private Limited [also refer note 8]			128.56			128.56
Unquoted investments			**207.48**			**356.42**
Total investments carried at cost [B]			**207.48**			**356.42**
C. Investments carried at amortised cost						
Unquoted						
Investments in Government Securities						
National Savings Certificates*			1.62			1.82
Total investments carried at amortised cost [C]			**1.62**		**-**	**1.82**
Total investments (A+B+C)			**3,455.34**			**3,503.53**
Other disclosures						
Aggregate book value of quoted investments			0.01			0.01
Aggregate amount of market value of quoted investments			0.01			0.01
Aggregate amount of unquoted investments			3,455.33			3,503.52
Aggregate amount of impairment in value of investments			1,854.10			1,643.46

* Deposited with government authorities

NOTE 8 - NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Security deposits	2,000.44	1,781.18
Loans to related parties (also refer note 51)*	72.28	69.50
	2,072.72	**1,850.68**

* includes interest on unbundling of loan component of ₹ 21.04 lakh (previous year ₹ 18.26 lakh)

NOTE 9 - NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Other bank balances		
- Deposit account with other banks for more than 1 year	27.69	24.64
	27.69	**24.64**

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

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NOTE 10 - INCOME-TAX ASSETS (NET)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Advance income-tax (net)	6,027.83	5,436.72
	6,027.83	**5,436.72**

NOTE 11 - OTHER NON-CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Capital advances	2,843.59	5,568.99
Prepaid expenses	1,103.75	4,312.78
Balances with government authorities	111.12	-
	4,058.46	**9,881.77**

NOTE 12 - INVENTORIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(valued at cost or net realisable value)		
Raw materials	5,466.58	3,619.74
Work-in-progress	2,375.44	1,814.53
Finished goods	18,887.67	23,292.78
Stock-in-trade of goods acquired for trading	25,477.00	17,177.16
Stores and spares	2,497.91	2,029.79
Loose tools	7.24	10.60
Packing material	1,240.78	851.89
Oils, fuels, lubricants and others	477.31	453.19
	56,429.93	**49,249.68**
Included above, goods-in-transit:		
Raw materials	0.41	-
Stock-in-trade	1.10	133.04
Stores and spares	51.52	30.39
	53.03	**163.43**

Notes

1) The carrying value of inventory is net of ₹ Nil (previous year ₹ 838.63 lakh) for write-down of inventories (read with note no. 55(b))

2) Refer note 27 for information on inventory pledged as security by the Company.

NOTE 13 - CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Units	Amount	Units	Amount
Fair value through profit and loss (FVTPL)				
Quoted investments				
Investments in mutual fund				
ICICI Prudential Liquid- direct plan-growth	-	-	9,97,512.453	2,401.19
UTI Liquid Cash Plan-Institutional-direct plan-growth	-	-	90,157.024	2,401.11
HDFC Liquid Plan-direct plan-growth	-	-	77,945.555	2,501.21
BSL Cash Plus-direct plan-growth	-	-	12,06,092.783	3,151.63
	-	**-**		**10,455.14**

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 13 - CURRENT INVESTMENTS (CONTD.)

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Units	Amount	Units	Amount
Other disclosures				
Aggregate book value of quoted investments		-		10,455.14
Aggregate amount of market value of quoted investments		-		10,455.14

NOTE 14 - TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Secured, considered good	385.29	458.69
Unsecured, considered good	51,023.26	39,258.50
Doubtful	2,672.79	2,245.17
	54,081.34	**41,962.36**
Less: Allowance for expected credit losses	2,672.79	2,245.17
	51,408.55	**39,717.19**

Movement in the allowance for doubtful debts

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of the year	2,245.17	2,019.03
Expected credit losses provided for during the year (refer note 40)	569.94	527.53
Amounts written back during the year (net)	(142.32)	(301.39)
	2,672.79	**2,245.17**

NOTE 15 - CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks	3,724.64	784.81
Cheques, drafts on hand	1,686.77	1,382.80
Cash in hand	104.27	175.55
Remittance in transit	3.02	513.25
Fixed deposits with original maturity of less than three months	18,000.00	11,100.00
	23,518.70	**13,956.41**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 16 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Earmarked balances with banks		
Unpaid dividends accounts *	121.34	112.21
Other bank balances		
Held as margin money in fixed deposits	249.19	307.23
Fixed deposits with original maturity of more than three months but less than twelve months	85.84	5.77
	456.37	**425.21**

Note

* Not due for deposit in the investor education and protection fund

NOTE 17 - CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Advance to related parties (also refer note 51)	6.00	41.07
Interest receivable	75.36	98.80
	81.36	**139.87**

NOTE 18 - CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Derivatives designated hedges		
- Foreign exchange forward contracts	1,092.17	263.93
Other financial assets		
- Interest accrued on deposits, loans and advances	8.43	-
	1,100.60	**263.93**

NOTE 19 - OTHER CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Prepaid expenses	1,114.67	716.93
Balances with government authorities	6,185.08	2,981.37
Others		
- Advance to suppliers	1,930.05	1,787.53
- Employee advances	64.89	98.14
- Other current assets	595.41	864.62
Less : Provision for doubtful assets	(81.30)	(77.44)
	9,808.80	**6,371.15**

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 20 - EQUITY SHARE CAPITAL

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Authorised:				
Equity shares of ₹ 2 each	**11,12,50,000**	**2,225.00**	**11,12,50,000**	**2,225.00**
Issued:				
Equity shares of ₹ 2 each	**7,23,00,220**	**1,446.00**	**7,23,00,220**	**1,446.00**
Subscribed and fully paid:				
Equity shares of ₹ 2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Forfeited shares	-	0.04	-	0.04
	7,22,96,395	**1,445.97**	**7,22,96,395**	**1,445.97**

(a) Reconciliation of share outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	(₹ in lakh)	No. of shares	(₹ in lakh)
Equity shares outstanding at the beginning of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	**7,22,96,395**	**1,445.93**	**7,22,96,395**	**1,445.93**

(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. 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 as at: *

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	% of holding	Number	% of holding
Paco Exports Limited	2,12,80,000	29.43	2,12,80,000	29.43
Reliance Capital Trustee Company Limited	67,20,572	9.30	65,92,893	9.12
HDFC Trustee Company Limited	48,23,510	6.67	50,88,044	7.04
Soma Investments Limited	42,35,000	5.86	42,35,000	5.86
Sundaram Mutual Fund	41,14,867	5.69	39,39,064	5.45
New Delhi Industrial Promotors and Investors Limited	37,50,000	5.19	37,50,000	5.19

* 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 shares 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 lakh (Previous year ₹ 0.04 lakh).

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for the year ended 31 March 2018

NOTE 21 - OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and surplus						Other comprehensive income		
	Capital reserve	Securities premium reserve	General reserve	Capital redemption reserve	Business reconstruction reserve	Retained earnings	Actuarial gain / (loss)	FVOCI - equity instruments	Total
Balance as at 1 April 2016	80.92	45,497.87	24,903.64	15.00	20,419.58	44,666.64	(81.31)	1,792.03	**1,37,294.37**
Profit for the year	-	-	-	-	-	10,301.08	-	-	**10,301.08**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-	52.40	201.21	**253.61**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**10,301.08**	**52.40**	**201.21**	**10,554.69**
Less: transactions with owners in their capacity as owners									
Payment of dividends (including dividend distribution tax)	-	-	-	-	-	3,480.57	-	-	**3,480.57**
Less: Transfer to statement of profit and loss during the year [also refer note 55(b)]	-	-	-	-	838.63	-	-	-	**838.63**
Less: Deferred tax charge on business restructuring reserve for the year	-	-	-	-	27.88	-	-	-	**27.88**
Balance as at 31 March 2017	**80.92**	**45,497.87**	**24,903.64**	**15.00**	**19,608.83**	**51,487.15**	**(28.91)**	**1,993.24**	**1,43,557.74**
Profit for the year	-	-	-	-	-	7,476.08	-	-	**7,476.08**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-	72.89	65.67	**138.56**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7,476.08**	**72.89**	**65.67**	**7,614.64**
Less:									
Payment of dividends (including dividend distribution tax)	-	-	-	-	-	3,480.57	-	-	**3,480.57**
Transfer to statement of profit and loss during the year [also refer note 55(a)]	-	-	-	-	210.64	-	-	-	**210.64**
Balance as at 31 March 2018	**80.92**	**45,497.87**	**24,903.64**	**15.00**	**19,398.19**	**55,482.66**	**43.98**	**2,058.91**	**1,47,481.17**

Nature and purpose of other reserves:

1. Capital reserve was created on amalgamation of certain entities/undertaking into the Company.

2. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

3. Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paidup capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 21 - OTHER EQUITY (CONTD.)

profit to general reserve has been withdrawn. It, inter alia, includes a sum of ₹ 10,000 lakh transferred from Business Reconstruction Reserve which cannot be used for issuance of bonus shares and distribution of dividend.

4. Capital redemption reserve is created against redemption of preference shares of the Company.

5. Business reconstruction reserve was created in accordance with a scheme of arrangement approved by the Hon'ble High Court of Calcutta. This reserve can neither be utilised towards issuance of bonus shares nor towards distribution of dividend.

6. FVOCI equity instruments: The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

7. Dividends paid (including dividend distribution tax) during the year ended 31 March 2018 of ₹ 3,480.57 lakh (₹ 4 per equity share of ₹ 2/-) were approved for payment.

NOTE 22 - NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Measured at amortised cost		
Secured:		
Term loans from banks:		
Foreign currency loans	19,893.74	28,636.17
Rupee loans	30,000.00	9,590.89
Term loans from financial institution:		
Rupee loans	6,400.00	-
	56,293.74	**38,227.06**
Unsecured:		
Deferred payment liabilities* #	3,037.36	2,528.83
	3,037.36	**2,528.83**
	59,331.10	**40,755.89**
Less: Current maturities of long term borrowing (refer note 29)	7,029.04	9,022.97
	52,302.06	**31,732.92**

* Net of deferred government grant (refer note 23).

Interest free and subsidised loan from state government.

Terms and conditions of outstanding borrowings are as follows:

(₹ in lakh)

Particulars	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2018	Carrying amount as at 31 March 2017	Remarks
Secured loan from bank - foreign currency loans	US Dollars	6 Months LIBOR*+130 bps	2018-19	3,434.33	7,313.79	Refer note 1 below
Secured loan from bank - foreign currency loans	US Dollars	6 Months LIBOR*+120 bps	2018-19	117.08	1,789.55	Refer note 2 below
Secured loan from bank - foreign currency loans	US Dollars	6 Months LIBOR*+130 bps	2018-19	3,333.51	6,564.91	Refer note 3 below
Secured loan from bank - foreign currency loans	US Dollars	6 Months LIBOR*+135 bps	2024-25	13,008.82	12,967.92	Refer note 1 below
Secured loan from bank - rupee loans	₹	1 year MCLR** + 0.08%	2026-27	20,000.00	9,500.00	Refer note 4 below
Secured loan from bank - rupee loans	₹	1 year MCLR** + 0.08%	2026-27	10,000.00	-	Refer note 5 below

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 22 - NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (CONTD.)

(₹ in lakh)

Particulars	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2018	Carrying amount as at 31 March 2017	Remarks
Secured loan from financial institution - rupee loans	₹	1 year T-bill*** + 1.49%	2023-24	6,400.00	-	Refer note 6 below
Unsecured Loan from others - Deferred payment liabilities	₹	0-3%	2029-30	3,037.35	2,528.83	Refer note 7 below
Secured loan from bank-rupee loans	₹	9.30 -13.60 %	2016-17	-	90.89	Refer note 8 below

* LIBOR - London Inter Bank Offer Rate

** MCLR - Marginal Cost of funds based Lending Rate

*** T-bill - Treasury Bill

Note:

1. Loans are 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.

2. Loan is secured by first pari-passu charge over all present and future movable and immovable fixed assets of the Sanitaryware plant situated at Bibinagar, Telangana.

3. Loan is secured by first pari-passu charge over all present and future movable and immovable fixed assets of the Sanitaryware plant situated at Bibinagar, Telangana and movable fixed assets of faucet plant situated at Kaharani, Rajasthan.

4. Loan is secured by first pari-passu charge on fixed assets of the Company located at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana.

5. Loan is secured by first pari-passu charge on fixed assets of the Company located at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana. Further, this is secured by first pari-passu charge over all present and future movable fixed assets of the Sanitaryware plant situated at Bibinagar, Telangana and movable fixed assets of faucet plant situated at Kaharani, Rajasthan.

6. Loan is secured by first pari-passu charge over movable fixed assets (both present and future) of the faucet plant situated at Kaharani, Rajasthan. Further, this is secured by first pari-passu charge by way of a mortgage over the immovable fixed assets(both present and future) of the Company situated at Kaharani, Rajasthan and Bibinagar, Telangana.

7. Deferred payment liabilities from others (unsecured) 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 2030. The outstanding amount of deferred sales tax credit is subject to assessment by sales tax authorities.

8. Vehicle loans are secured by way of hypothecation of the respective vehicles thus purchased.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 23 - NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Trade deposits	3,018.78	2,352.72
Deferred government loan	1,541.16	2,176.48
Other deposits	691.46	1,062.29
	5,251.40	**5,591.49**

NOTE 24 - NON-CURRENT LIABILITIES - PROVISIONS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
Long-term employee benefits (also refer note 45)		
Provision for compensated absences	829.08	688.20
Provision for warranty	192.30	269.17
	1,021.38	**957.37**

Details of movement in provision for warranty (including current portion)

(₹ in lakh)

Particulars	
Balance as at 1 April 2016	345.98
Additional provisions recognised	219.81
Utilised during the year	(150.59)
Balance as at 31 March 2017	**415.20**
Balance as at 1 April 2017	415.20
Additional provisions recognised	108.54
Utilised during the year	(121.93)
Balance as at 31 March 2018	**401.81**

Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the Company obligations for warranties under the local sale of goods. The estimate has been made based on historical warranty trends and may vary as a result of new materials, altered manufacturing process or other events. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the 2 to 12 years warranty period.

NOTE 25 - DEFERRED TAX LIABILITIES (NET)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax liability arising on account of		
Difference between book balance and tax balance of property, plant and equipment	12,981.82	13,916.85
Land	10,176.45	10,176.45
Investments at fair value through OCI	107.69	72.41
	23,265.96	**24,165.71**
Deferred tax asset arising on account of		
Provision for doubtful debts and loans and advances	961.04	780.45
Provision for employee benefits	291.11	311.36
Foreign exchange adjustments on external commercial borrowings	762.59	2,248.89
Others	97.01	56.68
	2,111.75	**3,397.38**
	21,154.21	**20,768.33**

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 25 - DEFERRED TAX LIABILITIES (NET) (CONTD.)

Deferred tax liability (net) in relation to:

(₹ in lakh)

Particulars	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at 31 March 2018
Deferred tax liability arising on account of					
Difference between book balance and tax balance of property, plant and equipment	13,916.85	(935.03)	-	-	12,981.82
Land	10,176.45	-	-	-	10,176.45
Investments at fair value through OCI	72.41	-	35.28	-	107.69
Sub total	**24,165.71**	**(935.03)**	**35.28**	**-**	**23,265.96**
Deferred tax asset arising on account of					
Provision for doubtful debts and loans and advances	780.45	180.59	-	-	961.04
Provision for employee benefits	311.36	18.90	(39.15)	-	291.11
Foreign exchange adjustments on external commercial borrowings	2,248.89	(1,486.30)	-	-	762.59
Others	56.68	40.33	-	-	97.01
Sub total	**3,397.38**	**(1,246.48)**	**(39.15)**	**-**	**2,111.75**
Net deferred tax liability	**20,768.33**	**311.45**	**74.43**	**-**	**21,154.21**

Deferred tax liability (net) in relation to:

(₹ in lakh)

Particulars	As at 1 April 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at 31 March 2017
Deferred tax liability arising on account of					
Difference between book balance and tax balance of property, plant and equipment	14,463.38	(546.53)	-	-	13,916.85
Land	10,204.33	-	-	(27.88)	10,176.45
Investments at fair value through OCI	45.20	-	27.21	-	72.41
Sub total	**24,712.91**	**(546.53)**	**27.21**	**(27.88)**	**24,165.71**
Deferred tax asset arising on account of					
Provision for doubtful debts and loans and advances	722.44	58.01	-	-	780.45
Provision for employee benefits	272.94	38.42	-	-	311.36
Foreign exchange adjustments on external commercial borrowings	2,667.01	(418.12)	-	-	2,248.89
Others	56.67	0.01	-	-	56.68
Minimum alternate tax credit entitlement	234.53	(234.53)	-	-	-
Sub total	**3,953.59**	**(556.21)**	**-**	**-**	**3,397.38**
Net deferred tax liability	**20,759.32**	**9.68**	**27.21**	**(27.88)**	**20,768.33**

NOTE 26 - OTHER NON-CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Employee related payables	200.99	149.08
Other liabilities	5.41	5.36
	206.40	**154.44**

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 27 - CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	5,736.27	9,404.33
Buyers credit	6,299.34	4,192.64
Working capital demand loan	14,300.00	11,090.00
Packing credit loan	-	801.95
	26,335.61	**25,488.92**
Unsecured borrowings		
From banks		
Working capital demand loan	7,680.00	-
Commercial papers	29,655.55	24,881.09
	37,335.55	**24,881.09**
	63,671.16	**50,370.01**

Details of security and term of repayment of each type of borrowing:

Secured borrowings

Cash credit facilities:

a) Cash credit facilities from banks carrying interest rate ranging from 8.70% to 10.88% 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 movable fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

b) Cash credit facility from banks carrying interest rate ranging from 11.00% to 11.70% p.a. and was 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 the Company's retail business and also having corporate guarantee of the Company.

Buyer's credit facilities:

c) Buyer's credit facilities from banks carrying interest ranging between LIBOR plus 54bps to LIBOR plus 75 bps per annum (p.a.) is repayable within 12 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 movable fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

Short term loan facilities:

d) Working capital demand loan and Short term loans from banks carrying interest rate ranging from 7.80% to 8.30% p.a. is repayable within 7 days to 31 days 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 movable fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

e) Working capital demand loan and Short term loans from banks carrying interest @ 9.15% p.a. was repayable within 31 days from disbursements. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets (both present and future) of the Company's retail business and also having corporate guarantee of the Company.

Packing credit:

f) Packing credit in foreign currency facilities from banks carrying interest LIBOR plus 70 bps per annum (p.a.) was repayable within 6 months from the date of origination and was secured by hypothecation of all current assets including stocks and book debts and further secured by second pari-passu charge on all the movable fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

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NOTE 27 - CURRENT FINANCIAL LIABILITIES - BORROWINGS (CONTD.)

g) Packing credit facilities from bank carrying interest 8% per annum (p.a.) was repayable within 7 days from the date of origination and was secured by hypothecation of all current assets including stocks and book debts and further secured by second pari-passu charge on all the movable fixed assets (both present and future) of the Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

Unsecured short term borrowings

a) Working capital demand loans:
Short term loan from bank amounting to ₹ 7680 lakh carrying interest @ 7.60% to 7.80% p.a. is repayable within 3 months from the drawdown date.

b) Commercial papers :
Commercial paper from various banks ₹ 30,000 lakh (previous year ₹ 25,000 lakh) carrying discount rate of 7.45% to 7.85 % p.a. is payable within 88 to 91 days from the date of origination.

NOTE 28 - TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
-total outstanding dues of micro and small enterprises	-	-
-total outstanding dues of creditors other than micro and small enterprises	21,736.61	19,660.37
Trade payables *	**21,736.61**	**19,660.37**

* Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available with the Company pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details as certified by the management are mentioned below:

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Principal amount remaining unpaid to any supplier	-	-
Interest due thereon remaining unpaid to any supplier	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil

NOTE 29 - CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings (also refer note 22)	7,029.04	9,022.97
Interest accrued but not due on borrowings	446.97	265.51
Unpaid dividends *	121.34	112.21
Earnest money deposits	86.32	8.87
Security deposits/retention money payable	128.76	17.66

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NOTE 29 - CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES (CONTD.)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Others		
Towards capital creditors	2,559.85	2,295.92
Employee related payables	2,462.86	2,229.70
Towards expenses payable	6,630.25	6,397.71
Commission payable to directors	526.24	1,212.71
Gratuity payable (net of obligation)	125.09	78.91
Other payables	8,448.32	8,746.37
	28,565.04	**30,388.54**

* Not due for deposit in investors education and protection fund.

NOTE 30 - OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Advances received from customers	769.73	980.28
Employee related payables	18.53	51.19
Payable towards statutory dues	3,541.48	2,804.58
	4,329.74	**3,836.05**

NOTE 31 - CURRENT LIABILITIES - PROVISIONS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
Long-term employee benefits (also refer note 45)		
Provision for compensated absences	116.05	152.30
Provision for warranty (also refer note 24)	209.51	146.03
	325.56	**298.33**

NOTE 32 - REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of goods (including excise duty)	2,25,284.77	2,19,803.48
Sale from rendering of services	40.24	24.97
Other operating revenue @	3,126.26	2,826.23
	2,28,451.27	**2,22,654.68**
@ Other operating revenues comprise of:		
Export incentives	445.84	291.48
Sundry balances and liabilities no longer required, written back	573.50	208.99
Provision of doubtful debts written back, no longer required	142.32	-
Gain on foreign exchange fluctuations (net)	297.76	549.37
Insurance claims received	361.07	172.51
Scrap sales	621.75	540.82
Miscellaneous receipts#	684.02	1,063.06
	3,126.26	**2,826.23**

#Includes subsidy from state government of ₹8.40 lakh (previous year ₹4.17 lakh).

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 33 - OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on financial assets	137.62	187.41
Rental income	16.07	15.77
Profit on sale of current investments (net)	11.41	8.19
Profit on sale of property, plant and equipment	22.87	19.54
Gain arising on financials instruments designated as at FVTPL (net)	-	181.88
Government grant *	635.32	-
Miscellaneous income	148.03	41.85
	971.32	**454.64**

* Pursuant to clarification made by Ind As Transition Facilitation Group (ITFG) dt. 23 October 2017, the company has recognized Government Grant income on deferred sale tax loan amounting to ₹ 635.32 lakh and interest cost is increased by equal amount on un-bundling of deferred sales tax loan .

NOTE 34 - COST OF MATERIALS CONSUMED

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock	3,619.74	3,013.09
Add: Purchases	43,590.37	37,666.05
Less: Closing stock	5,466.58	3,619.74
	41,743.53	**37,059.40**

NOTE 35 - PURCHASES OF TRADED GOODS

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sanitaryware and other products	54,683.70	43,940.06
	54,683.70	**43,940.06**

NOTE 36 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year:		
Finished goods	18,887.67	23,292.78
Work-in-progress	2,375.44	1,814.53
Stock-in-trade	25,477.00	17,177.16
	46,740.11	**42,284.47**
Inventories at the beginning of the year:		
Finished goods	23,292.78	22,179.98
Work-in-progress	1,814.53	1,936.66
Stock-in-trade	17,177.16	18,265.42
	42,284.47	**42,382.06**
Change in stock	(4,455.64)	97.59
Change in excise duty on closing stock	(3,082.33)	92.55
Transferred from Business Reconstruction Reserve [also refer note 55(b)]	-	(838.63)
	(7,537.97)	**(648.49)**

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 37 - EMPLOYEE BENEFITS EXPENSE

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	28,090.73	26,200.56
Contribution to provident funds and other funds (refer note 45)*	1,483.67	1,279.03
Staff welfare expenses	1,312.71	1,153.44
	30,887.11	**28,633.03**

* Net of reimbursement received from the government under Pradhan Mantry Rojgar Protsahan Yojna scheme ₹18.93 lakh (previous year ₹Nil)

NOTE 38 - FINANCE COSTS

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on financial liabilities*	4,620.21	3,067.68
Other borrowing cost	955.71	268.18
	5,575.92	**3,335.86**

* Read with footnote of note 33

NOTE 39 - DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation and amortisation of Property, plant and equipments (also refer note 4)	11,282.76	11,027.62
Amortisation of other intangible assets (also refer note 6)	132.40	158.18
Depreciation/amortisation capitalised on assets involved in plant under construction	(11.17)	(102.49)
	11,403.99	**11,083.31**

NOTE 40 - OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Power and fuel	28,097.13	24,528.80
Consumption of stores and spares	5,464.94	5,911.20
Consumption of packing materials	9,809.24	8,968.06
Consumption of loose tools	58.11	64.19
Consumption of oil, fuel and lubricants	340.16	314.10
Repairs and maintenance:		
Buildings	359.16	368.64
Plant and machinery	1,427.98	1,221.16
Others	457.34	403.24
Rent (including hire charges)	2,817.89	2,565.64
Rates and taxes	384.35	792.55
Directors sitting fees	3.90	4.00
Expenditure on ceramic and applied research centre (also refer note 52)	134.92	112.03
Insurance	501.32	361.96
Travelling and conveyance	3,388.99	2,969.01
Commission on sales	616.36	1,281.63
Freight and forwarding charges	279.78	1,269.04
Advertisement and publicity	10,429.84	7,789.66

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 40 - OTHER EXPENSES (CONTD.)

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Transportation and forwarding	5,888.03	3,934.09
Sales promotion expenses	1,303.27	1,863.73
Other selling expenses	1,331.33	316.50
Provision for expected credit loss (also refer note 14)	569.94	527.53
Provision for doubtful advances	3.86	-
Bad debts written off	3.88	0.01
Corporate social responsibility expenditure (also refer note 53)	345.63	298.02
Charity and donation	50.45	45.65
Loss on sale of property, plant and equipment	25.52	317.54
Miscellaneous expenses	3,842.64	3,020.47
	77,935.96	**69,248.45**

NOTE 41 - CURRENT TAX AND DEFERRED TAX

(a) Income tax expense through profit and loss

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax:		
Current income tax charge (including minimum alternate tax)	2,787.21	4,889.31
Deferred tax:		
In respect of current year origination and reversal of temporary differences	311.45	(224.84)
Earlier year tax	1.43	-
Total tax expense recognised in profit and loss account	**3,100.09**	**4,664.47**

(b) Income tax on other comprehensive income

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Deferred tax		
Re-measurement of defined benefit obligations	(39.15)	(28.73)
FVOCI financial assets	(35.28)	(27.21)
	(74.43)	**(55.94)**

(c) Income-tax on equity

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Deferred tax charge/(benefit)		
Business reconstruction reserve	-	(27.88)

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 41 - CURRENT TAX AND DEFERRED TAX (CONTD.)

(d) Numerical reconciliation between average effective tax rate and applicable tax rate :

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 34.608% (31 March 2017: 34.608%) and the reported tax expense in the statement of profit and loss are as follows:

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Profit before tax	10,576.17	14,965.55
Domestic tax rate for the Company	34.608%	34.608%
Income tax of the Company at given tax rate	3,660.20	5,179.28
Tax effect of :		
- Non deductible expenses	128.35	111.04
- Tax - exempt income	(20.09)	(31.53)
- Tax incentives and concessions	(43.66)	(339.46)
- Notional interest income and notional rent expenses	-	(62.95)
- Earlier year income tax	1.43	-
Others	(626.14)	(191.91)
Income-tax recognised in statement of profit and loss	**3,100.09**	**4,664.47**

(e) There is no change in statutory enacted income-tax rate during the financial year.

(f) There is no temporary differences associated with investment in subsidiaries.

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW

Capital management

The Company manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 22 and 27; cash and cash equivalents as disclosed in note 15 and current investment and equity attributable to equity holders of the Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves attributable to equity holders of the Company. The Company is not subject to externally imposed capital requirements. The Board reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of Directors.

The following table summarises the capital of the Company

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Equity *	1,48,927.14	1,45,003.71
Liquid assets (cash and cash equivalent and current investments) (a)	23,518.70	24,411.55
Current borrowings (note 27)	63,671.16	50,370.01
Non- current borrowings (note 22 and 23)	53,843.22	33,909.40
Current maturities of non current borrowings (refer note 29)	7,029.04	9,022.97
Total debt (b)	**1,24,543.42**	**93,302.38**
Net debt [c = (b) - (a)]	**1,01,024.72**	**68,890.83**
Total capital (equity+net debt)	**2,49,951.86**	**2,13,894.54**
Gearing ratio		
Debt to equity	84%	64%
Net debt to equity ratio	68%	48%
*Equity balances also includes the business reconstruction reserve (₹ in lakh)	29,398.19	29,608.83

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

Categories of financial instruments

(₹ in lakh)

Categories of financial assets/ (liabilities)	Notes	As at 31 March 2018			As at 31 March 2017		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Financial assets measured at amortised costs							
Trade receivable	14	51,408.55	-	-	39,717.19	-	-
Loans	8,17	2,154.08	-	-	1,990.55	-	-
Other financial assets	9,18	36.12	-	-	24.64	-	-
Cash and bank balances	15, 16	23,975.07	-	-	14,381.62	-	-
Investments	7	209.10	-	-	358.24	-	-
Loans and other receivables		**77,782.92**	**-**	**-**	**56,472.24**	**-**	**-**
Financial assets measured at fair value							
Investments	7, 13	3,246.24	100.95	-	13,600.43	233.56	-
Derivative contracts	18	1,092.17	(525.83)	-	263.93	176.74	-
Financial assets at fair value		**4,338.41**	**(424.88)**	**-**	**13,864.36**	**410.30**	**-**
Total financial assets		**82,121.33**	**(424.88)**	**-**	**70,336.60**	**410.30**	**-**

(₹ in lakh)

Financial liabilities	Notes	As at 31 March 2018			As at 31 March 2017		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Financial liabilities measured at amortised cost							
Current payables	27, 28, 29	1,13,972.81	-	-	1,00,418.92	-	-
Non-current payables	23	5,251.40	-	-	5,591.49	-	-
Non-current borrowings	22	52,302.06	-	-	31,732.92	-	-
Financial liabilities measured at amortised cost		**1,71,526.27**	**-**	**-**	**1,37,743.33**	**-**	**-**
Total financial assets/(liabilities)		**(89,404.94)**	**(424.88)**	**-**	**(67,406.73)**	**410.30**	**-**

Financial risk management objective

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk for receivables, cash and cash equivalents, short term investments, financial guarantee and derivative financial instruments.

Cash and cash equivalents and short term investments

The Company considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant deposit balances other than those required for its day to day operations.

Trade receivables

The Company extends credits to customer in normal course of the business. The Company considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

customer. The Company monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets. The Company also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Before accepting any new customer, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations. The Company does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Expected credit loss :

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
Not due for payment	0
Up to 6 months	0
From 6 months to 1 year	0
From 1 year to 3 years	10 to 100
More than 3 years	100

Ageing of past due trade receivables

(₹ in lakh)

Period	As at 31 March 2018	As at 31 March 2017
Not due for payment	31,820.12	24,372.95
Up to 6 months	16,606.66	13,473.65
From 6 months to 1 year	2,073.89	1,418.05
From 1 year to 3 years	1,980.35	1,873.02
More than 3 years	1,600.32	824.69

Ageing of impaired trade receivables

(₹ in lakh)

Period	As at 31 March 2018	As at 31 March 2017
Up to 6 months	-	-
From 6 months to 1 year *	473.84	-
From 1 year to 3 years	598.63	1,420.48
More than 3 years	1,600.32	824.69

*Based upon lifetime expected credit loss

Financial guarantee

The maximum credit exposure on financial guarantees given by the Company for various financial facilities is described in Note 59.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

Liquidity risk:

Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due.

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date and, where applicable, their effective interest rates.

(₹ in lakh)

Particulars	Notes	As at 31 March 2018			
		not later than one year	later than one year and not later than five years	later than five years	Total
Financial liabilities					
Borrowings - bank loans	22,27,29	70,556.08	17,325.64	25,683.18	1,13,564.90
Borrowings - other loans	22,23,29	144.12	6,891.90	3,942.50	10,978.52
Current payables	28,29	43,272.61	-	-	43,272.61
Non-current payables	23	-	-	3,710.24	3,710.24
Total		**1,13,972.81**	**24,217.54**	**33,335.92**	**1,71,526.27**

(₹ in lakh)

Particulars	Notes	As at 31 March 2017			
		not later than one year	later than one year and not later than five years	later than five years	Total
Financial liabilities					
Borrowings - bank loans	22,27,29	59,266.18	13,475.25	15,855.64	88,597.07
Borrowings - other loans	22,23,29	126.79	1,594.34	2,984.18	4,705.31
Current payables	28,29	41,025.94	-	-	41,025.94
Non-current payables	23	-		3,415.01	3,415.01
Total		**1,00,418.91**	**15,069.59**	**22,254.83**	**1,37,743.33**

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including :

Forward foreign exchange contract to hedge the exchange rate risk arising on the export of its products.

Forward foreign exchange contract to hedge the exchange rate risk arising on translation of the foreign currency loans.

Currency risk

The Company undertakes various transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

The Company transacts business primarily in Indian Rupee, USD, Euro and GBP. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopted a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in lakh)

Particulars	Currency	As at 31 March 2018	As at 31 March 2017
Trade receivables	USD	29.22	24.87
Trade payables	USD	29.14	20.64
	EUR	2.29	1.40
	GBP	0.30	0.36
Borrowings	USD	402.70	506.30
Accrued interest	USD	2.62	-

Currency rate

	As at 31 March 2018	As at 31 March 2017
USD	65.0441	64.8386
EUR	80.6222	69.2476
GBP	92.2846	80.8797

Of the above foreign currency exposures, following exposures are not hedged:

(in lakh)

Particulars	Currency	As at 31 March 2018	As at 31 March 2017
Trade receivables	USD	29.22	24.87
Trade payables	USD	29.14	20.64
	EUR	2.29	1.40
	GBP	0.30	0.36
Borrowings	USD	200.90	473.85
Accrued interest	USD	2.62	-

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(₹ in lakh)

For the year ended 31 March 2018	Change in currency exchange rate	Effect on profit before tax 31 March 2018	Effect on profit before tax 31 March 2017
USD	5%	(1,317.94)	(1,522.48)
	-5%	1,317.94	1,522.48
EUR	5%	(9.21)	(4.85)
	-5%	9.21	4.85
GBP	5%	(1.39)	(1.46)
	-5%	1.39	1.46

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Company at the end of each reporting period.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debts. Its objective in managing its interest rate risk is to ensure that it always maintain sufficient head room to cover interest payment from anticipated cash flows which is regularly reviewed by the board/nominated committee as well.

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Company's profit before tax and other comprehensive income due to changes in the interest rates is given below :

(₹ in lakh)

For the year ended 31 March 2018	Change in interest rate	Effect on profit before tax 31 March 2018	Effect on profit before tax 31 March 2017
Long-term borrowings	0.50%	(281.47)	(133.89)
	-0.50%	281.47	133.89

Commodity risk

The Company is exposed to the movement in the price of key raw material and other traded goods in the domestic and international markets. The Company has in place policies to manage exposure to fluctuation the prices of key raw materials used in operations. The Company enter into contracts for procurement of raw material and traded goods, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 43 - FAIR VALUE MEASUREMENT

Fair valuation techniques and inputs used

Financial assets/ financial liabilities	Fair value as at (₹ in lakh)		Fair value hierarchy	Valuation technique and key input	
	31 March 2018	31 March 2017			
Foreign currency forward contracts	1,092.17	263.93	2	Market approach	

Financial assets	Fair value as at (₹ in lakh)		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31 March 2018	31 March 2017				
Current investments	-	10,455.14	1	-	-	-
Non current investments	3,246.24	3,145.29	3	Discounted cash flow	1. Growth rate 2. Discount rate	Refer below

Reconciliation of level 3 fair value measurements

(₹ in lakh)

Particulars	As at 31 March 2018 Unlisted shares irrevocably designated as at FVTOCI	As at 31 March 2017 Unlisted shares irrevocably designated as at FVTOCI
Opening balance	3,145.29	2,916.85
Gains or losses		
- in other comprehensive income	100.95	228.44
Closing balance	**3,246.24**	**3,145.29**

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Sensitivity analysis of financial instruments having fair value hierarchy of level 3

(₹ in lakh)

Particulars	Movement unobservable input(s)	Effect on fair value taking movement of unobservable inputs isolation	
		31 March 2018	31 March 2017
Growth rate	5%	76.71	75.27
	-5%	(73.17)	(71.75)
Discount rate	5%	(234.29)	(242.38)
	-5%	271.53	281.07

Other financial instruments

The carrying amount of the financial assets and liabilities carried at amortised cost is considered a reasonable approximation of fair value.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 44 - SEGMENT INFORMATION

Segment information, as required under Ind AS 108 "Operating Segment", 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 45 - EMPLOYEE BENEFITS

A. Defined contribution plan

The Company operates defined contribution retirement benefit plans for all employees. The assets of the plans are held separately from those of the Companies in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company's contribution to Provident Fund and Superannuation Fund aggregating to ₹ 917.84 lakh (net of amount capitalised and reimbursement received from government) (previous year ₹ 886.05 lakh) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

B. Defined benefit plans

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Birla Sun Life Insurance Company Limited.

Details of the Company's defined benefit plans are as follows:

(₹ in lakh)

Particulars	Funded plan Gratuity	
	31 March 2018	31 March 2017
Current service cost	270.67	232.60
Net interest expense/(income)	(5.01)	4.87
Past service cost	127.46	-
Components of defined benefit costs recognised in profit or loss	393.12	237.47
Remeasurement on the net defined benefit liability		
Actuarial (gain)/loss arising form experience adjustments	(112.04)	(81.13)
Components of defined benefit costs recognised in other comprehensive income	(112.04)	(81.13)
I. Net asset/(liability) recognised in the balance sheet as at 31 March		
1. Present value of defined benefit obligation	2,157.84	1,968.57
2. Fair value of plan assets	2,032.75	1,889.66
3. Deficit	125.09	78.91
4. Current portion of the above	125.09	78.91
II. Change in the obligation during the year ended 31 March		
1. Present value of defined benefit obligation at the beginning of the year	1,968.57	1,796.49
2. Demerger adjustment of subsidiary during year ended 31 March 2017	(42.24)	-
3. Expenses recognised in the statements of profit and loss		
- Current service cost	270.67	232.60
- Interest expense	140.87	126.77
- Past service cost	127.46	-
4. Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actuarial (gain)/loss arising from experience adjustments	(104.39)	36.17
5. Benefit payments	(203.10)	(223.46)
Present value of defined benefit obligation at the end of the year	**2,157.84**	**1,968.57**

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 45 - EMPLOYEE BENEFITS (CONTD.)

(₹ in lakh)

Particulars	Funded plan Gratuity	
	31 March 2018	31 March 2017
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year	1,889.66	1,625.38
2. Recognised in the statement profit and loss		
- Expected return on plan assets	145.88	121.90
3. Recognised in other comprehensive income	-	-
Remeasurement gains / (losses)		
- Actual return on plan assets in excess of the expected return	7.65	117.30
4. Contributions by employer (including benefit payments recoverable)	192.66	242.39
5. Benefit payments	(203.10)	(217.31)
6. Fair value of plan assets at the end of the year	**2,032.75**	**1,889.66**

IV. The major categories of plan assets

The Company made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The Company was informed by BSL that the planned assets are held in growth/fixed interest bonds.

V. Actuarial assumptions		
1. Discount rate	7.72%	7.50%
2. Expected rate of increase in compensation level	6.50%	5.50%-6.50%
3. Expected rate of return on plan assets	7.72%	7.50%
4. Withdrawal rate	-	-
5. Mortality table	IALM 2006-08	IALM 2006-08
6. Superannuation age	58	58

Sensitivity analysis

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(99.75)	0.50%	(91.38)
	-0.50%	108.33	-0.50%	99.30
Expected rate of increase in compensation level	0.50%	105.69	0.50%	89.09
	-0.50%	(98.48)	-0.50%	(95.06)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.

VI. Experience adjustments :

Particulars	Year ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
1. Defined benefit obligation	2,157.84	1,968.57	1,796.49	1,623.84	1,355.55
2. Fair value of plan assets	2,032.75	1,889.66	1,625.38	1,563.54	1,346.76
3. Surplus/(deficit)	(125.09)	(78.91)	(171.11)	(60.30)	(8.79)
4. Experience adjustment on plan liabilities gain/(loss)	104.39	(36.17)	(46.99)	(209.17)	(9.65)
5. Experience adjustment on plan assets gain/(loss)	7.65	117.30	(77.36)	129.49	0.73

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 45 - EMPLOYEE BENEFITS (CONTD.)

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The average duration of the defined benefit plan obligation at the end of the reporting period is 21.55 years (previous year 19.81 years).

C. Other long-term benefits - Compensated absences (unfunded)

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Amounts recognised in the balance sheet		
Non current (refer note 24)	829.08	688.20
Current (refer note 31)	116.05	152.30
	945.13	**840.50**
Amounts recognised in the statement of profit and loss		
Current service cost	191.52	151.41
Interest cost	60.65	60.42
Actuarial loss	149.41	154.27
Total included in employee benefits expense	**401.58**	**366.10**
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	840.50	754.97
Demerger adjustment of subsidiary during year ended 31 March 2017	(6.35)	-
Interest cost	60.65	60.42
Current service cost	191.52	151.41
Benefits paid	(290.60)	(280.57)
Actuarial loss	149.41	154.27
Defined benefit obligation at the end of the year	**945.13**	**840.50**

NOTE 46 - EARNINGS PER SHARE

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit for the year attributable to owners of the Company (₹ in lakh)	7,476.08	10,301.08
Weighted average number of equity shares	7,22,96,395	7,22,96,395
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	10.34	14.25

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remain the same.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 47 - LEASES

As Lessee

The Company has entered into operating lease arrangements for certain facilities and office premises. The leases are both cancellable and non-cancellable and may be renewed for a further period based on mutual agreement of the parties.

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Expenses recognised in the statement of profit and loss		
Lease payments (including maintenance charges)	2,817.89	2,565.64

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Future non-cancellable minimum lease commitments		
not later than one year	268.52	244.40
later than one year and not later than five years	104.05	225.81

NOTE 48 - CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Demands raised by the excise authorities against which appeals have been filed	203.35	379.18
b) Demands raised by the service-tax authorities against which appeals have been filed	83.37	77.77
c) Demands made by the sales tax authorities against which appeals have been filed	639.30	244.95
d) Demands raised by the income-tax authorities against which appeals have been filed	3.84	3.84
e) Demands raised by the sales tax authorities against which appeal filed (entry tax)	4,042.04	-
f) Claims against the Company not acknowledged as debts	2,137.35	2,414.53

NOTE 49 - CAPITAL AND OTHER COMMITMENTS

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	11,339.99	10,265.07
b) Export obligation under Export Promotion Capital Goods license of Export Import Policy	5,498.33	7,002.30
c) Bank guarantees outstanding (other than financial guarantee)	909.39	407.76

NOTE 50 - PAYMENT TO STATUTORY AUDITORS (EXCLUDING GOODS AND SERVICE TAX)

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditors *	20.00	36.50
Other services	32.13	21.64
For reimbursement of expenses	4.28	4.67
	56.41	**62.81**

* including paid to auditors of demerged undertaking and preceeding auditor

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 51 - RELATED PARTY TRANSACTIONS

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

List of related parties

Relationship	Name of related party
Key management personnel (KMP)	Dr. Rajendra Kumar Somany (Chairman and Managing Director)
	Mr. Sandip Somany (Vice Chairman and Managing Director)
	Mr. Sandeep Sikka (CFO)
	Ms Payal M Puri (CS)
Relative of key management personnel (KMP)	Mrs. Sumita Somany (Non Executive Director)
Subsidiaries	Hindware Home Retail Private Limited
	Somany Home Innovation Limited (incorporated on 28 September 2017)
	Brilloca Limited (incorporated on 2 November 2017) (Subsidiary of Somany Home Innovation Limited)
	Luxxis Heating Solutions Private Limited (incorporated on 26 December 2017)
	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.)
	KS 615 Limited (formerly Barwood Products Limited (ceased to be subsidiary of Haas International B.V. as dissolved on 30 January 2018)
	Queo Bathroom Innovations Limited, UK (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 Promotors and Investors Limited
	Soma Investments Limited
	Murlidhar Rajendra Kumar
Post employment benefit plan	HSI Employees Gratuity Fund
	Somany Provident Fund Institution

The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis.

(₹ in lakh)

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Transactions during the year						
Rent paid						
Dr. Rajendra Kumar Somany	-	-	4.00	4.80	-	-
Textool Mercantile Private Limited	-	-	-	-	2.40	2.40
Paco Exports Limited	-	-	-	-	29.06	28.05
Interest received						
- From Somany Home Innovation Limited	0.04	-	-	-	-	-
Sales to subsidiary						
- To Hindware Home Retail Private Limited (net of tax)	449.25	-	-	-	-	-
Investment made						
Halis International Limited						
- Equity component in redeemable preference shares of Halis International Limited	31.70	13.43	-	-	-	-
- Equity shares in Somany Home Innovation Limited	10.00	-	-	-	-	-

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 51 - RELATED PARTY TRANSACTIONS (CONTD.)

(₹ in lakh)

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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
- Equity shares in Luxxis Heating Solutions Private Limited	20.00	-	-	-	-	-
Loans given						
- Somany Home Innovation Limited	6.00	-	-	-	-	-
Contribution made						
- Somany Provident Fund Institution	-	-	-	-	323.45	238.07
- H S I Employees Gratuity Fund	-	-	-	-	192.67	242.39
Remuneration to key management personnel *						
Dr. Rajendra Kumar Somany	-	-	554.56	799.20	-	-
Mr. Sandip Somany	-	-	554.56	799.20	-	-
Mr. Sandeep Sikka	-	-	201.09	187.84	-	-
Ms Payal M Puri	-	-	48.34	39.82	-	-
Remuneration to relative of key management personnel						
Mrs. Sumita Somany@	-	-	21.62	65.56	-	-
Dividend payment						
Dr. Rajendra Kumar Somany	-	-	123.20	104.80	-	-
Mr. Sandip Somany	-	-	91.34	76.59	-	-
Mrs. Sumita Somany	-	-	6.44	3.07	-	-
Paco Exports Limited	-	-	-	-	851.20	842.32
Soma Investments Limited	-	-	-	-	169.40	160.00
New Delhi Industrial Promotors and Investors Limited	-	-	-	-	150.00	146.00
Murlidhar Rajendra Kumar	-	-	-	-	-	36.52
Balance outstanding at the year end						
Hindware Home Retail Private Limited - loan component	72.28	69.50	-	-	-	-
Hindware Home Retail Private Limited - other receivables	188.42	41.07	-	-	-	-
Somany Home Innovation Limited - Loan	6.00	-	-	-	-	-
Remuneration payable						
Dr. Rajendra Kumar Somany	-	-	146.84	511.07	-	-
Mr. Sandip Somany	-	-	268.49	541.81	-	-
Mrs. Sumita Somany	-	-	15.84	22.83	-	-

* 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.
@ includes ₹ 5.78 lakh salary transfer under the scheme of arrangement. (refer note 54(a))

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 51 - RELATED PARTY TRANSACTIONS (CONTD.)

The remuneration and other transactions with members of key managerial personnel during the year was as follows:

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Short-term employee benefits #	1,289.60	1,611.78
Post-employment benefits		
- Defined contribution plan $	68.95	52.18
- Defined benefit plan *		
- Other long-term benefits *		
Dividend paid	220.98	184.46
Rent paid	4.00	4.80
Total	**1,583.53**	**1,853.22**

Including bonus, sitting fee, commission on accrual basis and value of perquisites.

$ including provident fund, leave encashment paid and any other benefit

* As the liability for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

NOTE 52 - EXPENDITURE ON CERAMIC AND APPLIED RESEARCH CENTRE

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	90.02	86.80
Contribution to provident and other funds	9.46	4.27
Others	35.44	20.96
	134.92	**112.03**

NOTE 53 - CORPORATE SOCIAL RESPONSIBILITY

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 ₹ 337.78 lakh (previous year ₹ 290.77 lakh) towards CSR activities during the year ended 31 March 2018. 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 year ended 31 March 2018, the Company has contributed the following sums towards CSR initiatives.

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Paid in cash	**Paid in cash**
(i) On construction/acquisition of any asset	135.49	55.56
(ii) On purposes other than (i) above	210.14	242.46
	345.63	**298.02**

NOTE 54

a) The Hon'ble National Company Law Tribunal of Kolkata, West Bengal, vide its order dated 4 May 2017 approved the Composite Scheme of Arrangement (the "Scheme") between the Company and its wholly owned subsidiary Hindware Home Retail Private Limited (HHRPL), their shareholders and creditors. Pursuant to the Scheme, all the properties, assets, rights, claims and obligations of the Retail Business of HHRPL (the "Demerged Undertaking") has been transferred and vested in the Company on a going concern basis with effect from the Appointed Date i.e., 1 April 2015. The Scheme has been accounted for as a business combination of entities under the common control.

b) Further, pursuant to the Scheme, the Company has also reorganised and adjusted the cost of equity and preference shares held in HHRPL to an amount equivalent to the remaining net assets of the HHRPL as on the appointed date, post demerger. Therefore, the investment in HHRPL has been reorganised from 32,000,000 equity shares to 640,000 equity shares as on the appointed date.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 55

a) The Board of Directors of the Company has approved utilisation of Business Reconstruction Reserve (BRR) by ₹210.64 lakh pertaining to impairment of investment during the year ended 31 March 2018. The aforesaid utilisation against BRR is as per the Scheme of Arrangement approved by the Hon'ble High Court of Calcutta vide its order dated 26 March 2010.

b) The Board of Directors of the Company has approved utilisation of Business Reconstruction Reserve (BRR) by ₹ Nil (previous year ₹ 838.63 lakh) pertaining to write off of old, non-moving and slow inventory done by the Demerged Undertaking during the year ended 31 March 2017. The aforesaid utilisation against BRR is as per the Scheme of Arrangement approved by the Hon'ble High Court of Calcutta vide its order dated 26 March 2010.

NOTE 56

The Board of Directors of the Company, in its meeting held on 10 November 2017 had approved a composite Scheme of Arrangement under section 230 to 232, read with section 66 and other applicable provisions of the Companies Act 2013 and the provisions of other applicable laws, amongst the Company, Somany Home Innovation Limited, a wholly owned subsidiary of the Company ("Resulting Company 1") and Brilloca Limited, a wholly owned subsidiary of Resulting Company 1 ("Resulting Company 2") and their respective shareholders and creditors ("Scheme'). The Scheme provides for the demerger of, (i) the Consumer Products Distribution and Marketing Undertaking ("CPDM Undertaking") and Retail Undertaking of the Company into Resulting Company 1, and (ii) the Building Products Distribution and Marketing Undertaking ("BPDM Undertaking") of the Company into Resulting Company 2. The Appointed Date for the Scheme is 1 April 2018 or such other date as directed by the Hon'ble Kolkata Bench of the National Company Law Tribunal ("NCLT"). The Scheme is subject to necessary regulation, approval and sanction by Hon'ble NCLT. The Company has received approval from BSE Limited and the National Stock Exchange of India Limited and is in the process of filing the application with Hon'ble NCLT for approval.

NOTE 57

A portion of the company's Kaharani unit engaged in manufacturing of faucets, a part of building products division, had fire on the night of 12 November 2017. The necessary surveys by the insurance company has been conducted and unit is duly covered by insurance including reinstatement value clause. The insurance company is in process of assessing the quantum of claims for settlement. Adjustments, if any relating to fire would be carried out upon its final assessment by the insurance company. Based on provisional estimates made by the management, the value of assets and inventories affected by fire is ₹ 1445 lakh and ₹205 lakh respectively, for which insurance claim has been lodged. In the opinion of management there will not be any material impact on this account on state of affairs and profit of the company.

NOTE 58 - FINANCIAL INSTRUMENTS BY CATEGORY

(₹ in lakh)

Particulars	As at 31 March 2018			As at 31 March 2017		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Non current financial assets						
Investments	3,246.24	-	209.10	3,145.29	-	358.24
Loans	-	-	2,072.72	-	-	1,850.68
Other financial assets	-	-	27.69	-	-	24.64
Current financial assets						
Investments	-	-	-	-	10,455.14	-
Trade receivable	-	-	51,408.55	-	-	39,717.19
Cash and cash equivalents	-	-	23,518.70	-	-	13,956.41
Bank balances other than cash and cash equivalents	-	-	456.37	-	-	425.21
Loans	-	-	81.36	-	-	139.87
Other financial assets	-	1,092.17	8.43	-	263.93	-
Total financial assets	**3,246.24**	**1,092.17**	**77,782.92**	**3,145.29**	**10,719.07**	**56,472.24**

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 58 - FINANCIAL INSTRUMENTS BY CATEGORY (CONTD.)

(₹ in lakh)

Particulars	As at 31 March 2018			As at 31 March 2017		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Non current financial liabilities						
Non-current borrowings	-	-	52,302.06	-	-	31,732.92
Other financial liabilities	-	-	5,251.40	-	-	5,591.49
Current financial liabilities						
Current borrowings	-	-	63,671.16	-	-	50,370.01
Trade payables	-	-	21,736.61	-	-	19,660.37
Other financial liabilities	-	-	28,565.04	-	-	30,388.54
Total financial liabilities	**-**	**-**	**1,71,526.27**	**-**	**-**	**1,37,743.33**

NOTE 59 - DISCLOSURE UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

(₹ in lakh)

Particulars	Somany Home Innovation Limited (Wholly owned subsidiary)	Luxxis Heating Solutions Private Limited (Wholly owned subsidiary)	Halis International Limited, Mauritius (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)	Halis International Limited, Mauritius (Wholly owned subsidiary)	Hindware Home Retail Private Limited (wholly owned subsidiary)
Guarantee	As at 31 March 2018				As at 31 March 2017	
Guarantees given as at the beginning of the financial year	-	-	-	8,856.00	-	8,856.00
Guarantees given during the financial year	-	-	-	-	-	-
Guarantee closed during the year	-	-	-	8,856.00	-	-
Guarantees given as at the end of the financial year	-	-	-	-	-	8,856.00
Investments						
Investments at the beginning of the financial year	-	-	219.02	188.52	205.59	188.52
Additions during the financial year	10.00	20.00	31.70	-	13.43	-
Provision for diminution in the value of during the year	-	-	210.64		-	-
Effect of Composite Scheme of Arrangement (refer note 55)	-	-	-	-	-	-
Investment at the end of the financial year	10.00	20.00	40.08	188.52	219.02	188.52
Loans and advances						
Loans at the beginning of the financial year	-	-	-	-	-	450.00
Additions during the financial year	6.00	-	-	-	-	1,285.00
Return back during the year	-	-	-		-	-
Effect of Composite Scheme of Arrangement (refer note 55)	-	-	-	-	-	1,735.00
Loans at the end of the financial year	6.00	-	-	-	-	-

The Company has given the corporate guarantee in respect of the loans taken for business purposes.

Significant Accounting Policies and Other Explanatory Information to the Standalone Financial Statements

for the year ended 31 March 2018

NOTE 60 - DIVIDEND

In respect of the current year, the directors propose that a dividend of ₹ 4/- per share to be paid on equity shares of ₹ 2 per share. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. The total estimated equity dividend to be paid is ₹2891.86 lakh. The payment of this dividend is estimated to result in payment of dividend tax of ₹594.43 lakh on the amount of dividends grossed up for the related dividend distribution tax.

NOTE 61 - EXCEPTIONAL ITEM

On 17 October 2017, one of the warehouses relating to the Retail Business division had fire which resulted in a loss of ₹ 654.15 lakh and has been duly provided in the books of accounts for the year ended 31 March 2018. Insurance claims relating to the loss has been filed and the settlement amounts of insurance claims as received would be accounted for on receipt.

NOTE 62

Previous period figures have been regrouped /re-arranged wherever considered necessary to confirm to the current year's classification.

In terms of our report attached.

For **Lodha & Co**
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

For and on behalf of the Board of Directors

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Payal M. Puri
Company Secretary
ACS No.: 16068

Sandeep Sikka
Chief Financial Officer

Independent Auditor's Report

To The Members of
HSIL Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of HSIL Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the Statement of Consolidated Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding 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 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 audit report under the provisions of the Act and the Rules made thereunder.

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.

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 control relevant to the Holding 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 financial position of the Group as at 31st March 2018, and their consolidated financial performance (including other comprehensive income), the consolidated statement of change in equity and their consolidated cash flows for the year ended on that date.

OTHER MATTERS

(a) We did not audit the financial statements and other financial information, in respect of five subsidiaries, whose financial statements include total assets of ₹416.55 Lakh , total revenues of ₹777.94 Lakh and net cash inflows amounting to ₹18.68 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management. 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) 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.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 purposes 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 balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the statement of change in equity and the consolidated cash flow statement 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 Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules made thereunder.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India , none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure A" and

(g) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph :

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 48 to the consolidated financial statements;

ii. The group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts during the year ended 31st March 2018; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies.

For **LODHA & CO.**
Chartered Accountants
FRN: 301051E

(N.K. Lodha)
Partner
Membership No. 85155

Place: Gurugram
Dated: 30th May 2018

Annexure – A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of HSIL Limited ('the Holding Company') and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial

controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding company and its subsidiary companies which are incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

Other Matters

i) Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary, which is a company incorporated in India, is based on the corresponding reports of the audit of such company.

For **LODHA & CO.**
Chartered Accountants
FRN: 301051E

(N.K. Lodha)
Partner
Membership No. 85155

Place: Gurugram
Dated: 30th May 2018

Consolidated Balance Sheet

as at 31 March 2018

(₹ in lakh)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4	1,64,915.56	1,49,243.22
(b) Capital work-in-progress		20,937.50	15,157.87
(c) Goodwill	5	2,694.22	2,694.22
(d) Other intangible assets	6	525.86	422.23
(e) Financial assets			
(i) Investments	7	3,247.86	3,147.11
(ii) Loans	8	2,018.93	1,781.15
(iii) Other financial assets	9	27.69	30.04
(f) Income-tax assets (net)	10	6,027.83	5,436.72
(g) Other non-current assets	11	4,058.46	9,881.77
Total non-current assets		**2,04,453.91**	**1,87,794.33**
2 Current assets			
(a) Inventories	12	56,434.10	49,249.68
(b) Financial assets			
(i) Investments	13	26.72	10,455.14
(ii) Trade receivables	14	51,375.64	39,754.62
(iii) Cash and cash equivalents	15	23,562.37	13,994.01
(iv) Bank balances other than (iii) above	16	457.97	437.68
(v) Loans	17	75.72	118.23
(vi) Other financial assets	18	1,100.60	263.93
(c) Other current assets	19	9,881.31	6,415.20
Total current assets		**1,42,914.43**	**1,20,688.49**
Total assets		**3,47,368.34**	**3,08,482.82**
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	20	1,445.97	1,445.97
(b) Other equity	21	1,47,300.87	1,43,206.73
Total equity		**1,48,746.84**	**1,44,652.70**
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	52,302.06	31,732.92
(ii) Other financial liabilities	23	5,251.40	5,591.49
(b) Provisions	24	1,022.01	958.95
(c) Deferred tax liabilities (net)	25	21,154.21	20,768.33
(d) Other non-current liabilities	26	201.04	154.44
Total non-current liabilities		**79,930.72**	**59,206.13**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	63,671.16	50,370.01
(ii) Trade payables	28	21,736.62	19,672.50
(iii) Other financial liabilities	29	28,597.92	30,446.06
(b) Other current liabilities	30	4,359.49	3,837.07
(c) Provisions	31	325.59	298.35
Total current liabilities		**1,18,690.78**	**1,04,623.99**
Total liabilities		**1,98,621.50**	**1,63,830.12**
Total equity and liabilities		**3,47,368.34**	**3,08,482.82**

Notes 1 to 62 form an integral part of these consolidated financial statements.
In terms of our report attached.

For and on behalf of the Board of Directors

For **Lodha & Co**
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Payal M. Puri
Company Secretary
ACS No.: 16068

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Sandeep Sikka
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

(₹ in lakh)

Particulars		Note	Year ended 31 March 2018	Year ended 31 March 2017
I	Revenue from operations	32	2,28,778.03	2,22,973.34
II	Other income	33	967.88	455.64
III	**Total income**		**2,29,745.91**	**2,23,428.97**
IV	**Expenses**			
	Cost of materials consumed	34	41,743.53	37,059.39
	Purchases of stock-in-trade	35	54,686.67	44,108.34
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(7,542.14)	(648.49)
	Excise duty		3,500.03	15,492.15
	Employee benefits expense	37	30,902.29	28,658.65
	Finance costs	38	5,576.01	3,348.10
	Depreciation and amortisation expense	39	11,407.09	11,086.67
	Other expenses	40	78,305.68	69,630.41
	Total expenses		**2,18,579.16**	**2,08,735.21**
V	**Profit before exceptional items and tax**		**11,166.75**	**14,693.76**
VI	**Exceptional items**	61	(654.15)	-
VII	**Profit before tax**		**10,512.60**	**14,693.76**
VIII	**Tax expense**	41		
	(1) Current tax		2,787.21	4,889.31
	Earlier year income tax		3.92	-
	(2) Deferred tax		311.45	(224.84)
	Total tax expense		**3,102.58**	**4,664.47**
IX	**Profit for the year**		**7,410.02**	**10,029.29**
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plan		115.68	81.20
	(b) Changes in fair value of equity instruments through other comprehensive income		100.95	228.42
	(ii) Income-tax relating to these items		(74.43)	(55.94)
	Other comprehensive income, net of tax		**142.20**	**253.68**
XI	**Total comprehensive income for the year**		**7,552.22**	**10,282.97**
XII	**Earnings per equity share (of ₹ 2/- each):**			
	Basic and diluted		10.25	13.87

Notes 1 to 62 form an integral part of these consolidated financial statements.
In terms of our report attached.

For and on behalf of the Board of Directors

For **Lodha & Co**
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Payal M. Puri
Company Secretary
ACS No.: 16068

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Sandeep Sikka
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31 March 2018

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,512.60	14,693.76
Adjustments for:		
Finance costs	5,576.01	3,348.10
Investment income	(11.41)	(8.19)
Interest income	(133.90)	(188.41)
Deferred government grant	(635.32)	-
Gain on disposal of property, plant and equipment	(22.87)	(19.54)
Loss on disposal of property, plant and equipment	25.52	317.19
Net (gain) arising on current investments	(0.22)	(5.14)
Sundry balances and liabilities no longer required, written back	(574.52)	(208.99)
Provision for expected credit loss	576.59	618.20
Bad debts written off	3.88	38.21
Depreciation and amortisation expense	11,407.09	11,086.67
Net foreign exchange (gain)	141.85	(377.95)
	26,865.30	**29,293.91**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(13,625.54)	(857.27)
(Increase)/decrease in inventories	(7,184.42)	(1,082.77)
(Increase)/decrease in other assets	(360.68)	(4,957.33)
Increase/(decrease) in trade and other liabilities	3,077.55	5,153.40
Increase/(decrease) in provisions	89.59	154.56
	(18,003.50)	**(1,589.41)**
Cash generated from operations	**8,861.80**	**27,704.50**
Income taxes paid	(3,382.24)	(7,281.34)
Net cash generated by operating activities	**5,479.56**	**20,423.16**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments to acquire financial assets	(5,045.48)	(20,184.78)
Proceeds on sale of financial assets	16,158.41	9,743.19
Interest received	157.23	75.27
Amounts advanced to related parties	(60.89)	40.78
Payments for property, plant and equipment	(29,678.78)	(22,581.04)
Proceeds from disposal of property, plant and equipment	183.55	142.30
Movement in other bank balances	(23.35)	(96.81)
Net cash (used in) investing activities	**(18,309.31)**	**(32,861.09)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	26,900.00	22,986.56
Repayment of borrowings	(9,022.76)	(12,558.97)
Movement in short term borrowings (net)	13,230.46	21,142.89
Taxes on dividend paid	(588.71)	(588.71)
Dividends paid to owners of the Company	(2,882.72)	(2,880.91)
Interest paid	(5,238.16)	(3,338.30)
Net cash used in financing activities	**22,398.11**	**24,762.56**
Net increase in cash and cash equivalents:	**9,568.36**	**12,324.63**
Cash and cash equivalents at the beginning of the year	13,994.01	1,669.38
Cash and cash equivalents at the end of the year	**23,562.37**	**13,994.01**

Consolidated Cash Flow Statement

for the year ended 31 March 2018

Disclosure made pursuant to amendment made in Ind AS-7 :-
The movement in liabilities from financing activities:

(₹ in lakh)

	As at 31st March 2017	Cash Flows	Non-Cash Flow Changes		As at 31st March 2018
			Foreign Exchange	Other	
Long term borrowings	40,755.89	17,877.24	62.65	635.32	**59,331.10**
Short term borrowings	50,370.01	13,230.46	70.69	-	**63,671.16**
Total liabilities from financing activities	**91,125.90**	**31,107.70**	**133.34**	**635.32**	**1,23,002.26**

Notes 1 to 62 form an integral part of these consolidated financial statements.

In terms of our report attached.

For **Lodha & Co**
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

For and on behalf of the Board of Directors

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Payal M. Puri
Company Secretary
ACS No.: 16068

Sandeep Sikka
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended 31 March 2018

A. EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	Number of shares	Amount
Subscribed and paid up capital		
Balance as at 1 April 2016	**7,22,96,395**	**1,445.97**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2017	**7,22,96,395**	**1,445.97**
Changes in equity share capital during the year	-	-
Balance as at 31 March 2018	**7,22,96,395**	**1,445.97**

B. OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and surplus						Other comprehensive income			Total
	Capital reserve	Securities premium reserve	General reserve	Capital redemption reserve	Business reconstruction reserve	Retained earnings	Foreign currency translation reserve	Actuarial gain / (loss)	FVOCI - equity instruments	
Balance as at 1 April 2016	**120.80**	**45,497.87**	**24,903.64**	**15.00**	**22,063.04**	**42,863.73**	**31.86**	**(84.45)**	**1,792.03**	**1,37,203.51**
Profit for the year	-	-	-	-	-	10,029.29	11.57	-	-	**10,040.86**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-	-	52.40	201.28	**253.68**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**10,029.29**	**11.57**	**52.40**	**201.28**	**10,294.54**
Less: transactions with owners in their capacity as owners										
Payment of equity dividends (including dividend distribution tax)	-	-	-	-	-	3,480.57	-	-	-	**3,480.57**
Less: Transfer to statement of profit and loss during the year [also refer note 54]	**-**	**-**	**-**	**-**	838.63	**-**	**-**	**-**	**-**	**838.63**
Less: Deferred tax charge on business reconstruction reserve for the year	-	-	-	-	27.88	-	-	-	-	**27.88**
Balance as at 31 March 2017	**120.80**	**45,497.87**	**24,903.64**	**15.00**	**21,252.29**	**49,412.45**	**43.43**	**(32.05)**	**1,993.31**	**1,43,206.73**
Profit for the year	-	-	-	-	-	7,410.02	22.49	-	-	**7,432.51**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-	-	76.53	65.67	**142.20**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7,410.02**	**22.49**	**76.53**	**65.67**	**7,574.71**
Less: transactions with owners in their capacity as owners										
Payment of dividends (including dividend distribution tax)	-	-	-	-	-	3,480.57	-	-	-	**3,480.57**
Balance as at 31 March 2018	**120.80**	**45,497.87**	**24,903.64**	**15.00**	**21,252.29**	**53,341.90**	**65.92**	**44.48**	**2,058.98**	**1,47,300.87**

Notes 1 to 62 form an integral part of these consolidated financial statements.
In terms of our report attached.

For **Lodha & Co**
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Payal M. Puri
Company Secretary
ACS No.: 16068

For and on behalf of the Board of Directors

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Sandeep Sikka
Chief Financial Officer

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

1. CORPORATE INFORMATION

HSIL Limited (the 'Parent Company') is a public limited company incorporated in India. The registered office of the Parent Company is situated in Kolkata and the corporate office is in Gurugram. The Parent Company is into the business of manufacturing, selling and trading of building products, glass products & plastic packaging products, consumer products and retail business. The Parent Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited.

The consolidated financial statements include the consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement and consolidated statement of changes in equity of the Parent Company and its undermentioned subsidiaries (hereinafter referred as the 'Group')-

Company	Date of shareholding/ membership	Country of incorporation	% of shareholding
Hindware Home Retail Private Limited	9 September 2006	India	100%
Somany Home Innovation Limited	3 October 2017	India	100%
Luxxis Heating Solutions Private Limited	9 January 2018	India	100%
Brilloca Limited *(subsidiary of Somany Home Innovation Limited)*	3 November 2017	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.)*	8 July 2009	Netherlands	100%
KS 615 Limited *(formerly known as Barwood Products Limited) (ceased to be subsidiary of Haas International B.V. as dissolved on 30 January 2018)*	23 June 2010	United Kingdom (UK)	100%
Queo Bathroom Innovations Limited UK *(subsidiary of Haas International B.V.)*	7 November 2016	United Kingdom (UK)	100%

2. CONSOLIDATION

2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent company and its subsidiaries. Control is gained when the Parent Company:

- Has power over the investee
- Is exposed or has rights to variable return from its involvement with the investee, and
- Has the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Parent Company's voting rights and potential voting rights
- The size of the Parent Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 Statement of compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group have been prepared in accordance with Ind AS notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accordingly, the Group's financial statements for the year ended 31 March 2018 are prepared complying applicable Ind AS.

The consolidated financial statements of the Group as at and for the year ended 31 March 2018 (including comparatives) were approved and authorised for issue by the Board of Directors on 30 May 2018.

3. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

Significant accounting policies of the financial statement of the company and its subsidiaries are set out in their respective standalone financial statement. The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the company. Following are the additional policies specifically considered for preparation of consolidated financial statement.

3.1 Business combinations

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed,

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

3.2 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

3.3 Foreign currency transactions and translations

Initial recognition

The Group's consolidated financial statements are presented in INR, which is also the Group's functional currency. Transactions in foreign currencies are recorded on initial recognition in the functional currency at the exchange rates prevailing on the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Treatment of exchange difference

Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

3.4 Taxation

Deferred tax

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Parent Company's/its subsidiary's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although Ind AS 12, Income Taxes, specifies limited exemptions.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group has four operating/reportable segments: building products, packaging products, consumer products and retail business segments. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each requires different technologies, marketing approaches and other resources. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, unallocated assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

(₹ in lakh)

Description of assets	Land - Freehold	Land - Leasehold	Buildings	Leasehold improvements	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
I. Gross block										
Opening balance as at 1 April 2016	48,978.62	3,643.16	34,107.02	927.79	67,384.94	606.19	3,110.25	767.36	1,401.08	**1,60,926.41**
Additions	-	-	2,293.63	26.07	6,003.97	111.90	1,013.48	287.74	1,352.25	**11,089.04**
Disposals	-	-	-	(245.16)	(46.85)	(20.21)	(121.26)	(23.65)	(217.25)	**(674.38)**
Effect of foreign currency translation on long term monetary items	-	-	(17.49)	-	(145.27)	-	-	-	-	**(162.76)**
Balance as at 31 March 2017	**48,978.62**	**3,643.16**	**36,383.16**	**708.70**	**73,196.79**	**697.88**	**4,002.47**	**1,031.45**	**2,536.08**	**1,71,178.31**
Additions	-	4,046.37	3,533.42	98.83	15,597.56	297.87	2,040.31	412.70	1,166.28	**27,193.34**
Disposals	-	-	(5.16)	-	(64.69)	(4.65)	(30.85)	(16.78)	(298.98)	**(421.11)**
Balance as at 31 March 2018	**48,978.62**	**7,689.53**	**39,911.42**	**807.53**	**88,729.66**	**991.10**	**6,011.93**	**1,427.37**	**3,403.38**	**1,97,950.54**
II. Accumulated depreciation and amortisation										
Opening balance as at 1 April 2016	-	-	1,324.54	135.17	8,480.60	220.31	482.85	199.02	298.33	**11,140.82**
Depreciation and amortisation charge for the year	-	-	1,379.81	81.46	8,169.16	151.18	523.15	233.15	490.79	**11,028.70**
Disposals	-	-	-	(8.35)	(9.07)	(15.83)	(12.15)	(21.31)	(167.72)	**(234.43)**
Balance as at 31 March 2017	**-**	**-**	**2,704.35**	**208.28**	**16,640.69**	**355.66**	**993.85**	**410.86**	**621.40**	**21,935.09**
Depreciation and amortisation charge for the year	-	18.48	1,451.65	82.27	7,912.97	143.79	721.32	269.61	683.12	**11,283.21**
Disposals	-	36.36	-	(0.03)	(18.46)	(3.78)	(13.34)	(15.90)	(168.17)	**(183.32)**
Balance as at 31 March 2018	**-**	**54.84**	**4,156.00**	**290.52**	**24,535.20**	**495.67**	**1,701.83**	**664.57**	**1,136.35**	**33,034.98**
Net block (I-II)										
Balance as at 31 March 2018	**48,978.62**	**7,634.69**	**35,755.42**	**517.01**	**64,194.46**	**495.43**	**4,310.10**	**762.80**	**2,267.03**	**1,64,915.56**
Balance as at 31 March 2017	**48,978.62**	**3,643.16**	**33,678.81**	**500.42**	**56,556.10**	**342.22**	**3,008.62**	**620.59**	**1,914.68**	**1,49,243.22**

Note :

1. Refer note 22 and 27 for details of property, plant and equipment pledged as security by the Group.
2. Capital work-in-progress mainly comprises of cost incurred on building, plant and equipments etc. which are currently under construction and borrowing cost capitalised ₹716.56 lakh (previous year ₹99.44 lakh)
3. In the current year ₹13.54 lakh (previous year gain of ₹162.76 lakh) has been capitalised to the cost of property, plant and equipment on account of exchange differences arised from translation of long-term foreign currency monetary items.
4. Building includes carrying amount of ₹6620.65 lakh (previous year ₹6757.34 lakh) constructed on leasehold land.
5. Possession awaited of 2740 sq. mtr., part of land.
6. Land includes carrying value of ₹17191.01 lakh (previous year ₹17191.01 lakh), mutation is pending in the name of parent company.
7. Borrowing cost capitalised ₹478.93 lakh

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 5 - GOODWILL

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Gross carrying value	2,694.22	2,694.22

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

(₹ in lakh)

Goodwill	
Balance as at 1 April 2016	**2,694.22**
Accumulated impairment	-
Balance as at 31 March 2017	**2,694.22**
Accumulated impairment	-
Balance as at 31 March 2018	**2,694.22**

Allocation of goodwill to cash generating units:

For the purpose of impairment testing, goodwill is allocated to the Garden Polymers division which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, which is not higher than the Parent Company's operating segments.

The Parent Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the cash generating units ("CGU") is determined from value in use calculation. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. These assumptions have been determined in light of the economic environment which has resulted in more conservative estimates about the future. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. (A reduction in the availability of credit has led to an increase in the cost of capital and therefore, the discount rate applied to future cash flows has increased.) Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. It is anticipated that sales volumes will remain at a similar level to the current year taking into account the market conditions.

The Parent Company has conducted a sensitivity analysis on the impairment test of CGU carrying value. Change in the discount rate and growth rate by +/- 1% points would not impact in carrying value of goodwill (with other factors remains constant).

Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit. Unless indicated otherwise, value in use in 2017-18 has been determined similarly as in 2016-17. The calculation of the value in use is based on the following key assumptions:

Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate	15%	10%
Terminal value of growth rate	3%	2%

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 6 - OTHER INTANGIBLE ASSETS

(₹ in lakh)

Description of assets	Technical know-how	Trade mark	Computer software	Total
I. Gross Block				
Opening balance as at 1 April 2016	**103.47**	**41.16**	**609.97**	**754.60**
Additions	-	-	35.89	35.89
Disposals	-	-	-	-
Balance as at 31 March 2017	**103.47**	**41.16**	**645.86**	**790.49**
Additions	-	94.62	144.06	238.68
Disposals	-	-	-	-
Balance as at 31 March 2018	**103.47**	**135.78**	**789.92**	**1,029.17**
II. Accumulated amortisation				
Opening balance as at 1 April 2016	**21.31**	**7.44**	**179.05**	**207.80**
Amortisation charge for the year	21.32	2.28	136.86	160.46
Disposals	-	-	-	-
Balance as at 31 March 2017	**42.63**	**9.72**	**315.91**	**368.26**
Amortisation charge for the year	21.31	2.72	111.02	135.05
Disposals	-	-	-	-
Balance as at 31 March 2018	**63.94**	**12.44**	**426.93**	**503.31**
Net block (I-II)				
Balance as on 31 March 2018	**39.53**	**123.34**	**362.99**	**525.86**
Balance as on 31 March 2017	**60.84**	**31.44**	**329.95**	**422.23**

NOTE 7 - NON CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
A. Fair value through other comprehensive income (FVOCI)				
I. Quoted investments (fully paid up)				
Investments in equity instruments				
Neycer India Limited (face value ₹10 each)	125	0.01	125	0.01
Quoted investments (I)		**0.01**		**0.01**
II. Unquoted investments (fully paid-up)				
Investments in equity instruments				
Andhra Pradesh Gas Power Corporation Limited (face value ₹10 each)	8,04,000	3,240.22	8,04,000	3,139.27
Indian Plumbing Skills Council (face value ₹10 each)	60,000	6.00	60,000	6.00
Swastik Sanitarywares Limited (face value ₹10 each)	50	0.01	50	0.01
Unquoted investments (II)		3,246.23		3,145.28
Investments carried at FVOCI (AI+AII)		**3,246.24**		**3,145.29**
Total investments carried at fair value [A]		**3,246.24**		**3,145.29**
B. Investments carried at amortised cost				
Unquoted				
Investments in Government Securities				
National Savings Certificates*		1.62		1.82
Total investments carried at amortised cost [B]		**1.62**		**1.82**
Total investments (A+B)		**3,247.86**		**3,147.11**
Other disclosures				
Aggregate book value of quoted investments		0.01		0.01
Aggregate amount of market value of quoted investments		0.01		0.01
Aggregate amount of unquoted investments		3,247.85		3,147.10

* Deposited with government authorities

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 8 - NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Security deposits	2,018.93	1,781.15
	2,018.93	**1,781.15**

NOTE 9 - NON-CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Other financial assets		
- Interest accrued on deposits, loans and advances	-	5.40
Other bank balances		
- Deposit account with other banks for more than 1 year	27.69	24.64
	27.69	**30.04**

NOTE 10 - INCOME-TAX ASSETS (NET)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Advance income-tax (net)	6,027.83	5,436.72
	6,027.83	**5,436.72**

NOTE 11 - OTHER NON-CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Capital advances	2,843.59	5,568.99
Prepaid expenses	1,103.75	4,312.78
Balances with government authorities	111.12	-
	4,058.46	**9,881.77**

NOTE 12 - INVENTORIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(valued at cost or net realisable value)		
Raw materials	5,466.58	3,619.74
Work-in-progress	2,375.44	1,814.53
Finished goods	18,887.67	23,292.78
Stock-in-trade of goods acquired for trading	25,481.17	17,177.16
Stores and spares	2,497.91	2,029.79
Loose tools	7.24	10.60
Packing material	1,240.78	851.89
Oils, fuels, lubricants and others	477.31	453.19
	56,434.10	**49,249.68**

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 12 - INVENTORIES (CONTD.)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Included above, goods-in-transit		
Raw materials	0.41	-
Stock-in-trade	1.10	133.04
Stores and spares	51.52	30.39
	53.03	**163.43**

Notes

1) The carrying value of inventory is net of ₹Nil (previous year ₹838.63 lakh) for write-down of inventories (read with note no. 54)

2) Refer note 27 for information on inventory pledged as security by the Parent Company.

NOTE 13 - CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Units	Amount	Units	Amount
Fair value through profit and loss (FVTPL)				
Quoted investments				
Investments in mutual fund				
ICICI Prudential Liquid- direct plan-growth	-	-	9,97,512.453	2,401.19
UTI Liquid Cash Plan-Institutional-direct plan-growth	-	-	90,157.024	2,401.11
HDFC Liquid Plan-direct plan-growth	-	-	77,945.555	2,501.21
HDFC Liquid Fund-Regular Plan-Growth (face value ₹10/-)	251.239	26.72	-	-
BSL Cash Plus-direct plan-growth	-	-	12,06,092.783	3,151.63
		26.72		**10,455.14**
Other disclosures				
Aggregate book value of quoted investments		26.72		10,455.14
Aggregate amount of market value of quoted investments		26.72		10,455.14

NOTE 14 - TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Secured, considered good	385.29	458.69
Unsecured, considered good	50,990.35	39,295.93
Doubtful	2,723.10	2,292.96
	54,098.74	42,047.58
Less: Allowance for expected credit losses	2,723.10	2,292.96
	51,375.64	**39,754.62**

Movement in the allowance for doubtful debts

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at beginning of the year	2,292.96	2,081.95
Expected credit losses provided for during the year (refer note 40)	576.59	618.20
Amounts written back/adjusted during the year (net)	(146.45)	(407.19)
	2,723.10	**2,292.96**

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 15 - CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Balances with banks	3,769.44	822.41
Cheques, drafts on hand	1,686.77	1,382.80
Cash in hand	103.14	175.55
Remittance in transit	3.02	513.25
Fixed deposits with original maturity of less than three months	18,000.00	11,100.00
	23,562.37	**13,994.01**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

NOTE 16 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Earmarked balances with banks		
Unpaid dividends accounts *	121.34	112.21
Other bank balances		
Held as margin money in fixed deposits	249.19	307.23
Fixed deposits with original maturity of more than three months but less than twelve months	87.44	18.24
	457.97	**437.68**

Note

* Not due for deposit in the investor education and protection fund

NOTE 17 - CURRENT FINANCIAL ASSETS - LOANS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Others loans and advances	-	19.18
Interest receivable	75.72	99.05
	75.72	**118.23**

NOTE 18 - CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Derivatives designated hedges		
- Foreign exchange forward contracts	1,092.17	263.93
Other financial assets		
- Interest accrued on deposits, loans and advances	8.43	-
	1,100.60	**263.93**

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

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NOTE 19 - OTHER CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(unsecured and considered good)		
Prepaid expenses	1,119.85	158.12
Balances with government authorities	6,218.24	2,985.95
Others		
- Advance to suppliers	1,983.09	1,789.95
- Employee advances	64.89	123.42
- Other current assets	627.16	1,426.24
Less : Provision for doubtful other current assets	(131.92)	(68.48)
	9,881.31	**6,415.20**

NOTE 20 - EQUITY SHARE CAPITAL

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	(₹ in lakh)	Number	(₹ in lakh)
Authorised:				
Equity shares of ₹2 each	11,12,50,000	2,225.00	11,12,50,000	2,225.00
Issued:				
Equity shares of ₹2 each	7,23,00,220	1,446.00	7,23,00,220	1,446.00
Subscribed and fully paid:				
Equity shares of ₹2 each	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Forfeited shares	-	0.04	-	0.04
	7,22,96,395	**1,445.97**	**7,22,96,395**	**1,445.97**

(a) Reconciliation of share outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	(₹ in lakh)	Number	(₹ in lakh)
Equity shares outstanding at the beginning of the year	7,22,96,395	1,445.93	7,22,96,395	1,445.93
Add: Shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	**7,22,96,395**	**1,445.93**	**7,22,96,395**	**1,445.93**

(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. 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 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 as at: *

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number	% of holding	Number	% of holding
Paco Exports Limited	2,12,80,000	29.43	2,12,80,000	29.43
Reliance Capital Trustee Company Limited	67,20,572	9.30	65,92,893	9.12
HDFC Trustee Company Limited	48,23,510	6.67	50,88,044	7.04
Soma Investments Limited	42,35,000	5.86	42,35,000	5.86
Sundaram Mutual Fund	41,14,867	5.69	39,39,064	5.45
New Delhi Industrial Promotors and Investors Limited	37,50,000	5.19	37,50,000	5.19

* Information is furnished as per shareholder register as at the year end.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

(d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus shares 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 lakh (Previous year ₹0.04 lakh).

NOTE 21 - OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and surplus						Other comprehensive income			
	Capital reserve	Securities premium reserve	General reserve	Capital redemption reserve	Business reconstruction reserve	Retained earnings	Foreign currency translation reserve	Actuarial gain / (loss)	FVOCI - equity instruments	Total
Balance as at 1 April 2016	120.80	45,497.87	24,903.64	15.00	22,063.04	42,863.72	31.86	(84.45)	1,792.03	**1,37,203.51**
Profit for the year	-	-	-	-	-	10,029.29	11.57	-	-	**10,040.86**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-		52.40	201.28	**253.68**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**10,029.29**	**11.57**	**52.40**	**201.28**	**10,294.54**
Less: transactions with owners in their capacity as owners										
Payment of dividends (including dividend distribution tax)	-	-	-	-	-	3,480.57		-	-	**3,480.57**
Less: Transfer to statement of profit and loss during the year [also refer note 54]	-	-	-	-	838.63	-		-	-	**838.63**
Less: Deferred tax charge on business restructuring reserve for the year	-	-	-	-	27.88	-		-	-	**27.88**
Balance as at 31 March 2017	**120.80**	**45,497.87**	**24,903.64**	**15.00**	**21,252.29**	**49,412.44**	**43.43**	**(32.05)**	**1,993.31**	**1,43,206.73**
Profit for the year	-	-	-	-	-	7,410.02	22.49	-	-	**7,432.51**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-	-	76.53	65.67	**142.20**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**7,410.02**	**22.49**	**76.53**	**65.67**	**7,574.71**
Payment of dividends (including dividend distribution tax)	-	-	-	-	-	**3,480.57**		-	-	**3,480.57**
Balance as at 31 March 2018	**120.80**	**45,497.87**	**24,903.64**	**15.00**	**21,252.29**	**53,341.89**	**65.92**	**44.48**	**2,058.98**	**1,47,300.87**

Nature and purpose of other reserves:

1. Capital reserve was created on amalgamation of certain entities/undertaking into the Parent Company.
2. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.
3. Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paidup capital of the Parent Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. It, inter alia, includes a sum of ₹10,000 lakh transferred from Business Reconstruction Reserve which cannot be used for issuance of bonus shares and distribution of dividend.
4. Capital redemption reserve is created against redemption of preference shares of the Parent Company.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

5. Business reconstruction reserve was created in accordance with a scheme of arrangement approved by the Hon'ble High Court of Calcutta. This reserve can neither be utilised towards issuance of bonus shares nor towards distribution of dividend.

6. FVOCI equity instruments: The Parent Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within FVOCI equity investments reserve within equity. The Parent Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

7. Dividends paid (including dividend distribution tax) during the year ended 31 March 2018 of ₹3,480.57 lakh (₹4 per equity share of ₹2/- each) were approved for payment.

NOTE 22 - NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Measured at amortised cost		
Secured:		
Term loans from banks:		
foreign currency loans	19,893.74	28,636.17
rupee loans	30,000.00	9,590.89
Term loans from financial institution:		
rupee loans	6,400.00	-
	56,293.74	**38,227.06**
Unsecured:		
deferred payment liabilities*#	3,037.36	2,528.83
	3,037.36	**2,528.83**
	59,331.10	**40,755.89**
Less: Current maturities of long term borrowing (refer note 29)	7,029.04	9,022.97
	52,302.06	**31,732.92**

* Net of deferred government loan (refer note 23).

\# Interest free and subsidised loan from state government.

Terms and conditions of outstanding borrowings are as follows:

(₹ in lakh)

Particulars	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2018	Carrying amount as at 31 March 2017	Remarks
Secured loan from bank - foreign currency loans	US Dollars	6 Months LIBOR*+130 bps	2018-19	3,434.33	7,313.79	Refer note 1 below
Secured loan from bank - foreign currency loans	US Dollars	6 Months LIBOR*+120 bps	2018-19	117.08	1,789.55	Refer note 2 below
Secured loan from bank - foreign currency loans	US Dollars	6 Months LIBOR*+130 bps	2018-19	3,333.51	6,564.91	Refer note 3 below
Secured loan from bank - foreign currency loans	US Dollars	6 Months LIBOR*+135 bps	2024-25	13,008.82	12,967.92	Refer note 1 below
Secured loan from bank - rupee loans	₹	1 year MCLR** + 0.08%	2026-27	20,000.00	9,500.00	Refer note 4 below
Secured loan from bank - rupee loans	₹	1 year MCLR** + 0.08%	2026-27	10,000.00	-	Refer note 5 below
Secured loan from financial institution - rupee loans	₹	1 year T-bill*** + 1.49%	2023-24	6,400.00	-	Refer note 6 below
Unsecured Loan from others - Deferred payment liabilities	₹	0-3%	2029-30	3,037.36	2,528.83	Refer note 7 below
Secured loan from bank- rupee loans	₹	9.30 -13.60 %	2016-17	-	90.89	Refer note 8 below

* LIBOR - London Inter Bank Offer Rate

** MCLR - Marginal Cost of funds based Lending Rate

*** T-bill - Treasury Bill

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NOTE 22 - NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (CONTD.)

Note:

1. Loans are 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 was 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.

2. Loan is secured by first pari-passu charge over all present and future movable and immovable fixed assets of the Sanitaryware plant of the Parent Company situated at Bibinagar, Telangana.

3. Loan is secured by first pari-passu charge over all present and future movable and immovable fixed assets of the Sanitaryware plant of the Parent Company situated at Bibinagar, Telangana and movable fixed assets of faucet plant of the Parent Company situated at Kehrani, Rajasthan.

4. Loan is secured by first pari-passu charge on fixed assets of the Parent Company located at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana.

5. Loan is secured by first pari-passu charge on fixed assets of the Parent Company located at Sitarampur, Isnapur, PO Medak District, Hyderabad, Telangana. Further, this is secured by first pari-passu charge over all present and future movable fixed assets of the Sanitaryware plant of the Parent Company situated at Bibinagar, Telangana and movable fixed assets of faucet plant of the Parent Company situated at Kaharani, Rajasthan.

6. Loan is secured by first pari-passu charge over movable fixed assets (both present and future) of the faucet plant of the Parent Company situated at Kaharani, Rajasthan. Further, this is secured by first pari-passu charge by way of a mortgage over the immovable fixed assets (both present and future) of the Parent Company situated at Kaharani, Rajasthan and Bibinagar, Telangana.

7. Deferred payment liabilities from others (unsecured) 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 2030. The outstanding amount of deferred sales tax credit is subject to assessment by sales tax authorities.

8. Vehicle loans are secured by way of hypothecation of the respective vehicles thus purchased.

NOTE 23 - NON-CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Trade deposits	3,018.78	2,352.72
Deferred government loan	1,541.16	2,176.48
Other deposits	691.46	1,062.29
	5,251.40	**5,591.49**

NOTE 24 - NON-CURRENT LIABILITIES - PROVISIONS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
Long-term employee benefits (also refer note 44)		
Provision for compensated absences	829.33	689.78
Provision for gratuity	0.38	-
Provision for warranty	192.30	269.17
	1,022.01	**958.95**

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NOTE 24 - NON-CURRENT LIABILITIES - PROVISIONS (CONTD.)

Details of movement in provision for warranty (including current portion)

Particulars	(₹ in lakh)
Balance as at 1 April 2016	345.98
Additional provisions recognised	219.81
Utilised during the year	(150.59)
Balance as at 31 March 2017	**415.20**
Balance as at 1 April 2017	415.20
Additional provisions recognised	108.54
Utilised during the year	(121.93)
Balance as at 31 March 2018	**401.81**

Warranty claims:

The provision for warranty claims represent the present value of best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under the local sale of goods. The estimate has been made based on historical warranty trends and may vary as a result of new materials, altered manufacturing process or other events. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the 2 to 12 years warranty period.

NOTE 25 - DEFERRED TAX LIABILITIES (NET)

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Deferred tax liability arising on account of		
Difference between book balance and tax balance of property, plant and equipment	12,981.82	13,916.85
Land	10,176.45	10,176.45
Investments at fair value through OCI	107.69	72.41
	23,265.96	**24,165.71**
Deferred tax asset arising on account of		
Provision for doubtful debts and loans and advances	961.04	780.45
Provision for employee benefits	291.11	311.36
Foreign exchange adjustments on external commercial borrowings	762.59	2,248.89
Others	97.01	56.68
	2,111.75	**3,397.38**
	21,154.21	**20,768.33**

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NOTE 25 - DEFERRED TAX LIABILITIES (NET) (CONTD.)

Deferred tax liability (net) in relation to:

(₹ in lakh)

Particulars	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at 31 March 2018
Deferred tax liability arising on account of					
Difference between book balance and tax balance of property, plant and equipment	13,916.85	(935.03)	-	-	**12,981.82**
Land	10,176.45	-	-	-	**10,176.45**
Investments at fair value through OCI	72.41	-	35.28	-	**107.69**
Sub total	**24,165.71**	**(935.03)**	**35.28**	**-**	**23,265.96**
Deferred tax asset arising on account of					
Provision for doubtful debts and loans and advances	780.45	180.59	-	-	**961.04**
Provision for employee benefits	311.36	18.90	(39.15)	-	**291.11**
Foreign exchange adjustments on external commercial borrowings	2,248.89	(1,486.30)	-	-	**762.59**
Others	56.68	40.33	-		**97.01**
Sub total	**3,397.38**	**(1,246.48)**	**(39.15)**	**-**	**2,111.75**
Net deferred tax liability	**20,768.33**	**311.45**	**74.43**	**-**	**21,154.21**

Deferred tax liability (net) in relation to:

Particulars	As at 1 April 2016	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	As at 31 March 2017
Deferred tax liability arising on account of					
Difference between book balance and tax balance of property, plant and equipment	14,463.38	(546.53)	-	-	13,916.85
Land	10,204.33	-	-	(27.88)	10,176.45
Investments at fair value through OCI	45.20	-	27.21	-	72.41
Sub total	**24,712.91**	**(546.53)**	**27.21**	**(27.88)**	**24,165.71**
Deferred tax asset arising on account of					
Provision for doubtful debts and loans and advances	722.44	58.01	-	-	780.45
Provision for employee benefits	272.94	38.42	-	-	311.36
Foreign exchange adjustments on external commercial borrowings	2,667.01	(418.12)	-	-	2,248.89
Tax losses carried forward	-	-	-		-
Others	56.67	0.01	-	-	56.68
Minimum alternate tax credit entitlement	234.53	(234.53)	-		-
Sub total	**3,953.59**	**(556.21)**	**-**	**-**	**3,397.38**
Net deferred tax liability	**20,759.32**	**9.68**	**27.21**	**(27.88)**	**20,768.33**

NOTE 26 - OTHER NON-CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Employee related payables	200.99	149.08
Other liabilities	0.05	5.36
	201.04	**154.44**

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NOTE 27 - CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Secured borrowings		
From banks		
Cash credit - loans repayable on demand	5,736.27	9,404.33
Buyers credit	6,299.34	4,192.64
Working capital demand loan	14,300.00	11,090.00
Packing credit loan	-	801.95
	26,335.61	**25,488.92**
Unsecured borrowings		
From banks		
Working capital demand loan	7,680.00	-
Commercial papers	29,655.55	24,881.09
	37,335.55	**24,881.09**
	63,671.16	**50,370.01**

Details of security and term of repayment of each type of borrowing:

Secured borrowings

Cash credit facilities:

a) Cash credit facilities from banks carrying interest rate ranging from 8.70% to 10.88% 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 movable fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

b) Cash credit facility from banks carrying interest rate ranging from 11.00% to 11.70% p.a. and was 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 the Parent Company's retail business and also having corporate guarantee of the Parent Company.

Buyer's credit facilities:

c) Buyer's credit facilities from banks carrying interest ranging between LIBOR plus 54bps to LIBOR plus 75 bps per annum (p.a.) is repayable within 12 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 movable fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

Short term loan facilities:

d) Working capital demand loan and Short term loans from banks carrying interest rate ranging from 7.80% to 8.30% p.a. is repayable within 7 days to 31 days 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 movable fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

e) Working capital demand loan and Short term loans from banks carrying interest @ 9.15% p.a. was repayable within 31 days from disbursements. This facility was secured by hypothecation against stocks, goods in transit, receivables and all other current assets (both present and future) of the Parent Company's retail business and also having corporate guarantee of the Parent Company.

Packing credit:

f) Packing credit in foreign currency facilities from banks carrying interest LIBOR plus 70 bps per annum (p.a.) was repayable within 6 months from the date of origination and was secured by hypothecation of all current assets including stocks and book debts and further secured by second pari-passu charge on all the movable fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

g) Packing credit facilities from bank carrying interest 8% per annum (p.a.) was repayable within 7 days from the date of origination and was secured by hypothecation of all current assets including stocks and book debts and further secured by second pari-passu charge on all the movable fixed assets (both present and future) of the Parent Company situated at Bahadurgarh plant, Bibinagar plant, Sanathnagar plant and Bhongir plant.

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NOTE 27 - CURRENT FINANCIAL LIABILITIES - BORROWINGS (CONTD.)

Unsecured short term borrowings

a) **Working capital demand loans:**
Short term loan from bank amounting to ₹7680 lakh carrying interest @ 7.60% to 7.80% p.a. is repayable within 3 months from the drawdown date.

b) **Commercial papers:**
Commercial paper from various banks ₹30,000 lakh (previous year ₹25,000 lakh) carrying discount rate of 7.45% to 7.85 % p.a. is payable within 88 to 91 days from the date of origination.

NOTE 28 - TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
-total outstanding dues of micro and small enterprises	-	-
-total outstanding dues of creditors other than micro and small enterprises	21,736.62	19,672.50
Trade payable *	**21,736.62**	**19,672.50**

* Dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 to the extent identified and information available pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006, details as certified by the management are mentioned below:

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Principal amount remaining unpaid to any supplier	-	-
Interest due thereon remaining unpaid to any supplier	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	Nil	Nil

NOTE 29 - CURRENT FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term borrowings (also refer note 22)	7,029.04	9,022.97
Interest accrued but not due on borrowings	446.97	265.51
Unpaid dividends *	121.34	112.21
Earnest money deposits	86.32	8.87
Security deposits/retention money payable	128.76	17.66
Others		
Towards capital creditors	2,559.85	2,295.92
Employee related payables	2,464.52	2,231.23
Towards expenses payable	6,661.38	6,452.98
Commission payable to directors	526.24	1,212.71
Gratuity payable (net of obligation)	125.09	78.91
Other payables	8,448.40	8,747.09
	28,597.91	**30,446.06**

* Not due for deposit in investors education and protection fund.

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NOTE 30 - OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Advances received from customers	776.58	980.28
Employee related payables	18.53	51.19
Payable towards statutory dues	3,564.38	2,805.60
	4,359.49	**3,837.07**

NOTE 31 - CURRENT LIABILITIES - PROVISIONS

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
Long-term employee benefits (also refer note 44)		
Provision for compensated absences	116.07	152.32
Provision for gratuity	0.01	-
Provision for warranty (also refer note 24)	209.51	146.03
	325.59	**298.35**

NOTE 32 - REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of goods (including excise duty)	2,25,610.29	2,20,099.12
Sale from rendering of services	40.24	48.35
Other operating revenue @	3,127.50	2,825.87
	2,28,778.03	**2,22,973.34**
@ Other operating revenues comprise of :		
Export incentives	445.84	291.48
Sundry balances and liabilities no longer required, written back	574.52	208.99
Excess provision of doubtful debts written back	142.32	-
Gain on foreign exchange fluctuations (net)	297.76	549.00
Insurance claims received	361.07	172.51
Scrap sales	621.75	540.82
Miscellaneous receipts #	684.24	1,063.07
	3,127.50	**2,825.87**

#Includes subsidy from state government of ₹8.40 lakh (previous year ₹4.17 lakh).

NOTE 33 - OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income on financial assets	133.90	188.41
Rental income	16.07	15.77
Profit on sale of current investments (net)	11.41	8.19
Profit on sale of property, plant and equipment	22.87	19.54
Gain arising on financials instruments designated as at FVTPL (net)	0.22	181.88
Government grant *	635.32	-
Miscellaneous income	148.09	41.85
	967.88	**455.64**

* Pursuant to clarification made by Ind As Transition Facilitation Group (ITFG) dt. 23rd Oct, 2017, the Group has recognized Government Grant income on deferred sale tax loan amounting to ₹635.32 lakh and interest cost is increased by equal amount on un-bundling of deferred sales tax loan .

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NOTE 34 - COST OF MATERIALS CONSUMED

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock	3,619.74	3,013.09
Add: Purchases	43,590.37	37,666.04
Less: Closing stock	5,466.58	3,619.74
	41,743.53	**37,059.39**

NOTE 35 - PURCHASES OF TRADED GOODS

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sanitaryware and other products	54,686.67	44,108.34
	54,686.67	**44,108.34**

NOTE 36 - CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Inventories at the end of the year:		
Finished goods	18,887.67	23,292.78
Work-in-progress	2,375.44	1,814.53
Stock-in-trade	25,481.17	17,177.16
	46,744.28	**42,284.47**
Inventories at the beginning of the year:		
Finished goods	23,292.78	22,179.98
Work-in-progress	1,814.53	1,936.66
Stock-in-trade	17,177.16	18,265.42
	42,284.47	**42,382.06**
Change in stock	(4,459.81)	97.59
Change in excise duty on closing stock	(3,082.33)	92.55
Less: Transferred from Business Reconstruction Reserve [also refer note 54]	-	(838.63)
	(7,542.14)	**(648.49)**

NOTE 37 - EMPLOYEE BENEFITS EXPENSE

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	28,105.34	26,223.06
Contribution to provident funds and other funds (also refer note 44) *	1,484.24	1,280.57
Staff welfare expenses	1,312.71	1,155.02
	30,902.29	**28,658.65**

* Net of reimbursement received from the government under Pradhan Mantry Rojgar Protsahan Yojna scheme ₹18.93 lakh (previous year ₹Nil)

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 38 - FINANCE COST

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on financial liabilities *	4,620.30	3,079.92
Other borrowing cost	955.71	268.18
	5,576.01	**3,348.10**

* Read with footnote of note 33

NOTE 39 - DEPRECIATION AND AMORTISATION EXPENSE

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation and amortisation of Property, plant and equipments (also refer note 4)	11,283.21	11,028.70
Amortisation of other intangible assets (also refer note 6)	135.05	160.46
Depreciation/amortisation capitalised on assets involved in plant under construction	(11.17)	(102.49)
	11,407.09	**11,086.67**

NOTE 40 - OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Power and fuel	28,097.13	24,528.80
Consumption of stores and spares	5,464.94	5,911.20
Consumption of packing material	9,809.24	8,968.06
Consumption of loose tools	58.11	64.19
Consumption of oil, fuel and lubricants	340.16	314.10
Repairs and maintenance:		
Buildings	359.16	368.64
Plant and machinery	1,427.98	1,221.16
Others	457.34	412.50
Rent (including hire charges)	2,817.89	2,565.64
Rates and taxes	384.41	807.52
Directors sitting fees	3.90	4.00
Expenditure on ceramic and applied research centre (also refer note 52)	134.92	112.03
Insurance	501.32	361.96
Travelling and conveyance	3,389.23	2,973.85
Commission on sales	616.36	1,283.39
Freight and forwarding charges	279.78	1,269.04
Advertisement and publicity	10,738.09	7,789.66
Transportation and forwarding	5,888.03	3,934.09
Sales promotion expenses	1,303.27	1,916.31
Other selling expenses	1,331.33	316.50
Provision for expected credit loss (also refer note 14)	576.59	618.20
Provision for doubtful advances	3.86	-
Bad debts written off	3.88	38.21
Corporate social responsibility expenditure (also refer note 53)	345.63	298.02
Charity and donation	50.45	45.65
Loss on sale of property, plant and equipment	25.52	317.19
Miscellaneous expenses	3,897.16	3,190.50
	78,305.68	**69,630.41**

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NOTE 41 - CURRENT TAX AND DEFERRED TAX

(a) Income tax expense through profit and loss

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax:		
Current income tax charge (including Minimum alternate tax)	2,787.21	4,889.31
Deferred tax:		
In respect of current year origination and reversal of temporary differences	311.45	(224.84)
Earlier year tax	3.92	-
Total tax expense recognised in profit and loss account	**3,102.58**	**4,664.47**

(b) Income tax on other comprehensive income

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Deferred tax		
Re-measurement of defined benefit obligations	(39.15)	(28.73)
FVOCI financial assets	(35.28)	(27.21)
	(74.43)	**(55.94)**

(c) Income-tax on equity

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Deferred tax charge/(benefit)		
Business reconstruction reserves	-	(27.88)

(d) Numerical reconciliation between average effective tax rate and applicable tax rate :

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Parent Company at 34.608% (31 March 2017: 34.608%) and the reported tax expense for the Group in the statement of profit and loss are as follows:

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Profit before tax	**10,512.60**	**14,693.76**
Domestic tax rate for the Parent Company	34.608%	34.608%
Income tax of the Group at given tax rate	3,638.20	5,085.22
Tax effect of :		
- Non deductible expenses	128.35	111.04
- Tax - exempt income	(20.09)	(31.53)
- Tax incentives and concessions	(43.66)	(339.46)
- Notional interest income and notional rent expenses	-	(62.95)
- Earlier year income tax	3.92	-
- Deferred tax not recognised on subsidiary companies loss	22.00	94.07
Others	(626.14)	(191.92)
Income-tax recognised in statement of profit and loss	**3,102.58**	**4,664.47**

(e) There is no change in statutory enacted income-tax rate during the financial year.

(f) There is no temporary differences associated with investment in subsidiaries.

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NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW

Capital management

The Group manages its capital to be able to continue as a going concern while maximising the returns to shareholders through optimisation of the debt and equity balance. The capital structure consists of debt which includes the borrowings as disclosed in note 22 and 27; current investments and cash and cash equivalents as disclosed in note 13 and 15 respectively and equity attributable to equity holders of the Parent Company, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of changes in equity. For the purpose of calculating gearing ratio, debt is defined as non current and current borrowings (excluding derivatives). Equity includes all capital and reserves of the Group attributable to equity holders of the Parent Company. The Parent Company is not subject to externally imposed capital requirements. The Board of the Parent Company reviews the capital structure and cost of capital on an annual basis but has not set specific targets for gearing ratios. The risks associated with each class of capital are also considered as part of the risk reviews presented to the Audit Committee and the Board of the Parent Company's Directors.

The following table summarises the capital of the Group

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Equity *	1,48,746.84	1,44,652.70
Liquid assets (cash and cash equivalent and current investments) (a)	23,589.09	24,449.15
Current borrowings (note 27)	63,671.16	50,370.01
Non- current borrowings (note 22)	53,843.22	33,909.40
Current maturities of non current borrowings (refer note 29)	7,029.04	9,022.97
Total debt (b)	**1,24,543.42**	**93,302.38**
Net debt [c = (b) - (a)]	1,00,954.33	68,853.23
Total capital (equity+net debt)	**2,49,701.17**	**2,13,505.93**
Gearing ratio		
Debt to equity	84%	65%
Net debt to equity ratio	68%	48%
	31,252.29	31,252.29

*Equity balances also includes the business reconstruction reserve (₹in lakh)

Categories of financial instruments

(₹ in lakh)

Categories of financial assets/ (liabilities)	Notes	As at 31 March 2018			As at 31 March 2017		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Financial assets measured at amortised costs							
Trade receivable	14	51,375.64	-	-	39,754.62	-	-
Loans	8,17	2,094.65	-	-	1,899.38	-	-
Other financial assets	9, 18	36.12	-	-	30.04	-	-
Cash and bank balances	15, 16	24,020.34	-	-	14,431.69	-	-
Investments	7	1.62	-	-	1.82	-	-
Loans and other receivables		**77,528.37**	**-**	**-**	**56,117.55**	**-**	**-**
Financial assets measured at fair value							
Investments	7, 13	3,272.96	101.17	-	13,600.43	233.56	-
Derivative contracts	18	1,092.17	(525.83)	-	263.93	176.74	-
Financial assets at fair value		**4,365.13**	**(424.66)**	**-**	**13,864.36**	**410.30**	**-**
Total financial assets		**81,893.49**	**(424.66)**	**-**	**69,981.91**	**410.30**	**-**

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

(₹ in lakh)

Financial liabilities	Notes	As at 31 March 2018			As at 31 March 2017		
		Carrying value	Gain/(loss) to income	Gain/(loss) to equity	Carrying value	Gain/(loss) to income	Gain/(loss) to equity
Financial liabilities measured at amortised cost							
Current payables	27,28, 29	1,14,005.70	-	-	1,00,488.57	-	-
Non-current payables	23	5,251.40	-	-	5,591.49	-	-
Non-current borrowings	22	52,302.06	-	-	31,732.92	-	-
Financial liabilities measured at amortised cost		**1,71,559.16**	**-**	**-**	**1,37,812.98**	**-**	**-**
Total financial assets/(liabilities)		**(89,665.67)**	**(424.66)**	**-**	**(67,831.07)**	**410.30**	**-**

Financial risk management objective

The Group is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Group is not engaged in speculative treasury activities but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

The use of any derivative is approved by the management, which provide guidelines on the acceptable levels of interest rate risk, credit risk, foreign exchange risk and liquidity risk and the range of hedging requirement against these risks.

Credit risk:

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Group is exposed to credit risk for receivables, cash and cash equivalents, short term investments, financial guarantee and derivative financial instruments.

Cash and cash equivalents and short term investments

The Group considers factors such as track record, size of institution, market reputation and service standard to select the banks with which deposits are maintained. Generally the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant deposit balances other than those required for its day to day operations.

Trade receivables

The Group extends credits to customer in normal course of the business. The Group considers the factors such as credit track record in the market of each customer and past dealings for extension of credit to the customer. The Group monitors the payment track record of each customer and outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located at several jurisdiction and industries and operate in large independent markets.

The Group also takes advances and security deposits from customers which mitigate the credit risk to an extent.

The average credit period taken on sales of goods is 30 to 60 days. Generally, no interest has been charged on the receivables. Allowances against doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Before accepting any new customer, the Group uses an internal credit system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. There are no customers who represent more than 5 per cent of total net revenue from operations The Group does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Expected credit loss:

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%)
Not due for payment	0
Up to 6 months	0
From 6 months to 1 year	0
From 1 year to 3 years	10 to 100
More than 3 years	100

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

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NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

Ageing of past due trade receivables

(₹ in lakh)

Period	As at 31 March 2018	As at 31 March 2017
Not due for payment	31,631.70	24,372.96
Up to 6 months	16,760.46	13,511.07
From 6 months to 1 year	2,075.60	1,418.05
From 1 year to 3 years	2,030.66	1,935.94
More than 3 years	1,600.32	809.56

Ageing of impaired trade receivables

(₹ in lakh)

Period	As at 31 March 2018	As at 31 March 2017
Up to 6 months	-	-
From 6 months to 1 year *	473.84	-
From 1 year to 3 years	648.94	1,483.40
More than 3 years	1,600.32	809.56

* Based upon lifetime expected credit loss

Liquidity risk:

Liquidity risk reflects the risk that the Group will have insufficient resources to meet its financial liabilities as they fall due. The Group's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities so that it does not breach borrowing limits.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet date to the contractual maturity date and, where applicable, their effective interest rates.

(₹ in lakh)

Particulars	Notes	As at 31 March 2018			
		not later than one year	later than one year and not later than five years	later than five years	Total
Financial liabilities					
Borrowings - bank loans	22,27,29	70,556.08	17,325.64	25,683.18	1,13,564.90
Borrowings - other loans	22,23,29	144.12	6,891.90	3,942.50	10,978.52
Current payables	28,29	43,305.50	-	-	43,305.50
Non-current payables	23	-	-	3,710.24	3,710.24
Total		**1,14,005.70**	**24,217.54**	**33,335.92**	**1,71,559.16**

(₹ in lakh)

Particulars	Notes	As at 31 March 2017			
		not later than one year	later than one year and not later than five years	later than five years	Total
Financial liabilities					
Borrowings - bank loans	22,27,29	59,266.18	13,475.25	15,855.63	88,597.06
Borrowings - other loans	22,23,29	126.79	1,594.34	2,984.18	4,705.31
Current payables	28,29	41,095.59	-	-	41,095.59
Non-current payables	23	-	-	3,415.01	3,415.01
Total		**1,00,488.56**	**15,069.59**	**22,254.82**	**1,37,812.97**

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including:

Forward foreign exchange contract to hedge the exchange rate risk arising on the export of its products.

Forward foreign exchange contract to hedge the exchange rate risk arising on translation of the foreign currency loans.

Currency risk

The Group undertakes various transactions denominated in foreign currencies, consequently, exposure to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The Group transacts business primarily in Indian Rupee, USD, Euro and GBP. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. Certain transactions of the Group act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Group adopted a policy of selective hedging based on risk perception of the management. Foreign exchange hedging contracts are carried at fair value.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in lakh)

Particulars	Currency	As at 31 March 2018	As at 31 March 2017
Trade receivables	USD	29.22	24.87
Trade payables	USD	29.14	20.64
	EUR	2.29	1.40
	GBP	0.30	0.36
Borrowings	USD	402.70	506.30
Accrued interest	USD	2.62	-

Currency rate

Particulars	As at 31 March 2018	As at 31 March 2017
USD	65.0441	64.8386
EUR	80.6222	69.2476
GBP	92.2846	80.8797

Of the above foreign currency exposures, following exposures are not hedged:

(in lakh)

Particulars	Currency	As at 31 March 2018	As at 31 March 2017
Trade receivables	USD	29.22	24.87
Trade payables	USD	29.14	20.64
	EUR	2.29	1.40
	GBP	0.30	0.36
Borrowings	USD	200.90	473.85
Accrued interest	USD	2.62	-

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 42 - FINANCIAL INSTRUMENTS AND RISK REVIEW (CONTD.)

Sensitivity analysis

The following table demonstrates the sensitivity of profit and equity in USD, Euro and GBP to the Indian Rupee with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the fair value of monetary assets and liabilities is given below:

(₹ in lakh)

For the year ended 31 March 2018	Change in currency exchange rate	Effect on profit before tax 31 March 2018	Effect on profit before tax 31 March 2017
USD	5%	(1,317.94)	(1,522.48)
	-5%	1,317.94	1,522.48
EUR	5%	(9.21)	(4.85)
	-5%	9.21	4.85
GBP	5%	(1.39)	(1.46)
	-5%	1.39	1.46

This is mainly attributable to the exposure outstanding on foreign currency receivables and payables in the Group at the end of each reporting period.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debts. Its objective in managing its interest rate risk is to ensure that it always maintain sufficient head room to cover interest payment from anticipated cash flows which is regularly reviewed by the board/nominated committee as well.

The following table demonstrates the sensitivity in the interest rate with all other variables held constant. The impact on the Group's profit before tax and other comprehensive income due to changes in the interest rates is given below:

(₹ in lakh)

For the year ended 31 March 2018	Change in interest rate	Effect on profit before tax 31 March 2018	Effect on profit before tax 31 March 2017
Long-term borrowings	0.50%	(281.47)	(133.89)
	-0.50%	281.47	133.89

Commodity risk

The Group is exposed to the movement in the price of key raw material and other traded goods in the domestic and international markets. The Group has in place policies to manage exposure to fluctuation the prices of key raw materials used in operations. The Group enter into contracts for procurement of raw material and traded goods, most of the transactions are short term fixed price contract and a few transactions are long term fixed price contracts.

NOTE 43 - FAIR VALUE MEASUREMENT

Fair valuation techniques and inputs used

Financial assets/ financial liabilities	Fair value as at (₹ in lakh)		Fair value hierarchy		Valuation technique and key input	
	31 March 2018	31 March 2017				
Foreign currency forward contracts	1,092.17	263.93	2		Market approach	
Financial assets	**Fair value as at (₹ in lakh)**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**	**Significant unobservable input(s)**	**Relationship of unobservable inputs to fair value and sensitivity**
	31 March 2018	31 March 2017				
Current investments	26.72	10,455.14	1	-	-	-
Non current investments	3,246.24	3,145.29	3	Discounted cash flow	1. Growth rate 2. Discount rate	Refer below

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 43 - FAIR VALUE MEASUREMENT (CONTD.)

Reconciliation of level 3 fair value measurements

(₹ in lakh)

Particulars	31 March 2018 Unlisted shares irrevocably designated as at FVTOCI	31 March 2017 Unlisted shares irrevocably designated as at FVTOCI
Opening balance	3,145.29	2,916.85
Gains or losses		
- in other comprehensive income	100.95	228.44
Closing balance	**3,246.24**	**3,145.29**

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Sensitivity analysis of financial instruments having fair value hierarchy of level 3

(₹ in lakh)

Particulars	Movement unobservable input(s)	Effect on fair value taking movement of unobservable inputs isolation	
		31 March 2018	31 March 2017
Growth rate	5%	76.71	75.27
	-5%	(73.17)	(71.75)
Discount rate	5%	(234.29)	(242.38)
	-5%	271.53	281.07

Other financial instruments

The carrying amount of the financial assets and liabilities carried at amortised cost is considered a reasonable approximation of fair value.

NOTE 44 - EMPLOYEE BENEFITS

A. Defined contribution plan

The Group operates defined contribution retirement benefit plans for all employees. The assets of the plans are held separately from those of the Companies in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The Group's contribution to Provident Fund and Superannuation Fund aggregating to ₹918.34 lakh (net of amount capitalised and reimbursement received from government) (previous year ₹951.40 lakh) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

B. Defined benefit plans

Gratuity

The Group operates a gratuity plan covering qualifying employees. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Parent Company makes annual contribution to the group gratuity scheme administered by the Birla Sun Life Insurance Company Limited.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 44 - EMPLOYEE BENEFITS (CONTD.)

Details of the Company's defined benefit plans are as follows:

(₹ in lakh)

Particulars	Funded plan		Unfunded plan	
	Gratuity		Gratuity	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Current service cost	270.67	232.66	0.10	0.34
Net interest expense/(income)	(5.01)	4.88	3.21	0.09
Past service cost	127.46	-	-	-
Components of defined benefit costs recognised in profit or loss	393.12	237.54	3.31	0.43
Remeasurement on the net defined benefit liability				
Actuarial (gain)/loss arising from experience adjustments	(112.04)	(81.20)	(3.64)	0.06
Components of defined benefit costs recognised in other comprehensive income	(112.04)	(81.20)	(3.64)	0.06
I. Net asset/(liability) recognised in the balance sheet as at 31 March				
1. Present value of defined benefit obligation	2,157.83	1,968.57	0.39	0.72
2. Fair value of plan assets	2,032.75	1,889.66	-	-
3. Deficit	125.09	78.91	0.39	0.72
4. Current portion of the above	125.09	78.91	0.01	0.71
5. Non current portion of the above	-	-	0.38	0.01
II. Change in the obligation during the year ended 31 March				
1. Present value of defined benefit obligation at the beginning of the year	1,968.57	1,796.49	0.72	1.36
2. Demerger adjustment of subsidiary during year ended 31 March 2017	(42.24)	-	-	-
3. Expenses recognised in the statements of profit and loss				
- Current service cost	270.67	232.66	0.10	0.34
- Interest expense	140.87	126.77	3.21	0.09
- Past service cost	127.46	-	-	-
4. Recognised in other comprehensive income				
Remeasurement gains / (losses)				
- Actuarial (gain)/loss arising from experience adjustments	(104.39)	36.10	(3.64)	0.06
5. Benefit payments	(203.10)	(223.46)	-	(1.13)
Present value of defined benefit obligation at the end of the year	**2,157.84**	**1,968.57**	**0.39**	**0.72**

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 44 - EMPLOYEE BENEFITS (CONTD.)

(₹ in lakh)

Particulars	Funded plan Gratuity	
	31 March 2018	31 March 2017
III. Change in fair value of assets		
1. Fair value of plan assets at the beginning of the year	1,889.66	1,625.38
2. Recognised in the statement profit and loss		
- Expected return on plan assets	145.88	121.90
3. Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actual return on plan assets in excess of the expected return	7.65	117.30
4. Contributions by employer (including benefit payments recoverable)	192.66	242.39
5. Benefit payments	(203.10)	(217.31)
6. Fair value of plan assets at the end of the year	**2,032.75**	**1,889.66**

IV. The major categories of plan assets

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 informed by BSL that the planned assets are held in growth/fixed interest bonds.

V. Actuarial assumptions		
1. Discount rate	7.71%-7.72%	7.50%-7.54%
2. Expected rate of increase in compensation level	5.50%-6.50%	5.50%-6.50%
3. Expected rate of return on plan assets	7.72%	7.50%
4. Mortality table	IALM 2006-08	IALM 2006-08
5. Superannuation age	58	58

Sensitivity analysis

(₹ in lakh)

Particulars	31 March 2018		31 March 2017	
	Change in assumption	Effect on gratuity obligation	Change in assumption	Effect on gratuity obligation
Discount rate	0.50%	(99.75)	0.50%	(91.38)
	-0.50%	108.33	-0.50%	99.30
Expected rate of increase in compensation level	0.50%	105.69	0.50%	89.09
	-0.50%	(98.48)	-0.50%	(95.06)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the balance sheet.

VI. Experience adjustments:

(₹ in lakh)

Particulars	Year ended				
	2017-18	2016-17	2015-16	2014-15	2013-14
1. Defined benefit obligation	2,158.22	1,968.57	1,796.49	1,623.84	1,355.55
2. Fair value of plan assets	2,032.75	1,889.66	1,625.38	1,563.54	1,346.76
3. Surplus/(deficit)	(125.48)	(78.91)	(171.11)	(60.30)	(8.79)
4. Experience adjustment on plan liabilities gain/(loss)	108.03	(36.11)	(50.13)	(209.17)	(9.65)
5. Experience adjustment on plan assets gain/(loss)	7.65	117.30	(77.36)	129.49	0.73

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

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NOTE 44 - EMPLOYEE BENEFITS (CONTD.)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The average duration of the defined benefit plan obligation at the end of the reporting period is 21.55 years (previous year 19.81 years).

C. Other long-term benefits - Compensated absences (unfunded)

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Amounts recognised in the balance sheet		
Non current (refer note 24)	829.33	689.78
Current (refer note 31)	116.07	152.32
	945.40	**842.10**
Amounts recognised in the statement of profit and loss		
Current service cost	191.64	151.41
Interest cost	63.02	60.42
Actuarial loss	145.59	154.27
Total included in employee benefits expense	**400.25**	**366.10**
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	842.10	754.97
Demerger adjustment of subsidiary during year ended 31 March 2017	(6.35)	-
Interest cost	63.02	60.42
Current service cost	191.64	151.41
Benefits paid	(290.60)	(278.97)
Actuarial loss	145.59	154.27
Defined benefit obligation at the end of the year	**945.40**	**842.10**

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 45 - 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 to primary business segments i.e. building products, consumer products, packaging products and retail business.

The activities of the group are primarily limited with in the 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.

(₹ in lakh)

Particulars	Building products	Consumer products	Packaging product	Retail business	Others	Inter segment elimination	Unallocated	Year ended 31 March 2018
Segment revenue								
For the year ended 31 March 2018	**1,04,412.77**	**20,768.88**	**94,052.26**	**9,944.49**	**151.08**	**(551.45)**	**-**	**2,28,778.03**
For the year ended 31 March 2017	1,03,647.35	12,404.66	96,719.87	9,581.00	833.56	(213.10)	-	2,22,973.34
Other income								
For the year ended 31 March 2018	**360.03**	**31.45**	**541.50**	**18.47**	**2.34**	**(5.59)**	**19.68**	**967.88**
For the year ended 31 March 2017	239.22	18.25	161.40	10.22	2.91	-	23.65	455.64
Segment results								
For the year ended 31 March 2018	**16,793.97**	**(1,674.71)**	**6,661.05**	**(1,180.19)**	**(382.05)**	**389.20**	**(3,864.52)**	**16,742.75**
For the year ended 31 March 2017	16,526.75	(2,433.46)	9,941.57	(1,481.23)	(176.70)		(4,335.07)	18,041.86
Interest expenses								
For the year ended 31 March 2018								**5,576.01**
For the year ended 31 March 2017								3,348.10
Exceptional item								
For the year ended 31 March 2018	**-**	**-**	**-**	**(654.15)**	**-**	**-**	**-**	**(654.15)**
For the year ended 31 March 2017	-	-	-	-	-	-	-	-
Income tax (including deferred tax)								
For the year ended 31 March 2018								**3,102.58**
For the year ended 31 March 2017								4,664.47
Profit after tax								
For the year ended 31 March 2018								**7,410.02**
For the year ended 31 March 2017								10,029.29
Other information								
Segment assets								
31 March 2018	**1,55,296.17**	**21,783.13**	**1,52,326.62**	**4,425.03**	**948.04**	**-**	**12,589.34**	**3,47,368.33**
31 March 2017	1,18,144.89	11,359.00	1,48,577.00	4,619.73	677.31	-	25,104.89	3,08,482.82
Segment liabilities								
31 March 2018	**84,493.61**	**14,356.79**	**98,322.00**	**2,964.52**	**57.52**	**-**	**(1,572.94)**	**1,98,621.50**
31 March 2017	50,621.10	6,165.41	95,061.97	3,608.00	-	-	8,373.64	1,63,830.12
Capital expenditure								
For the year ended 31 March 2018	**10,338.18**	**1,685.97**	**14,394.14**	**138.79**	**-**	**-**	**861.40**	**27,418.48**
For the year ended 31 March 2017	4,796.78	176.46	4,948.02	101.60	-	-	939.33	10,962.19
Depreciation and amortisation								
For the year ended 31 March 2018	**3,113.37**	**202.13**	**7,123.22**	**304.64**	**53.54**	**-**	**610.19**	**11,407.09**
For the year ended 31 March 2017	2,669.04	73.89	7,439.58	375.59	54.24	-	474.33	11,086.67
Other non-cash expenses								
Provision for doubtful debts and advances								
For the year ended 31 March 2018	**276.01**	**22.11**	**256.82**	**25.51**	**-**	**-**	**-**	**580.45**
For the year ended 31 March 2017	263.60	8.98	143.25	61.95	90.67	-	49.75	618.20

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 46 - EARNINGS PER SHARE

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit for the year attributable to owners of the Parent Company (₹in lakh)	7,410.02	10,029.29
Weighted average number of equity shares (nos.)	7,22,96,395	7,22,96,395
Nominal value per share (₹)	2.00	2.00
Earnings per share - basic and diluted (₹)	10.25	13.87

The Parent Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Parent Company remain the same.

NOTE 47 - LEASES

As Lessee

The Group has entered into operating lease arrangements for certain facilities and office premises. The leases are both cancellable and non-cancellable and may be renewed for a further period based on mutual agreement of the parties.

(₹ in lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Expenses recognised in the statement of profit and loss		
Lease payments (including maintenance charges)	2,817.89	2,565.64

(₹ in lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
Future non-cancellable minimum lease commitments		
not later than one year	268.52	244.40
later than one year and not later than five years	104.05	225.81

NOTE 48 - CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
a) Demands raised by the excise authorities against which appeals have been filed	203.35	379.18
b) Demands raised by the service-tax authorities against which appeals have been filed	83.37	77.77
c) Demands made by the sales tax authorities against which appeals have been filed	639.30	244.95
d) Demands raised by the income-tax authorities against which appeals have been filed	3.84	3.84
e) Demands raised by the sales tax authorities against which appeal filed (entry tax)	4,042.04	-
f) Claims against the Company not acknowledged as debts	2,137.35	2,414.53

NOTE 49 - CAPITAL AND OTHER COMMITMENTS

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
a) Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	11,339.99	10,265.07
b) Export obligation under Export Promotion Capital Goods license of Export Import Policy	5,498.33	7,002.30
c) Bank guarantees outstanding (other than financial guarantee)	909.39	407.76

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 50 - PAYMENT TO STATUTORY AUDITORS (EXCLUDING GOODS AND SERVICE TAX) @

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
As auditors *	22.50	36.50
Other services	32.88	21.64
For reimbursement of expenses	4.28	4.67
	59.66	**62.81**

* including paid to auditors of demerged undertaking and preceeding auditor
@ to the extent available

NOTE 51 - RELATED PARTY TRANSACTIONS

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures" name of the related party, related party relationship, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

List of related parties

Relationship	Name of related party
Key management personnel (KMP)	Dr. Rajendra Kumar Somany (Chairman & Managing Director)
	Mr. Sandip Somany (Vice Chairman & Managing Director)
	Mr. Sandeep Sikka (CFO)
	Ms. Payal M Puri (CS)
Relative of key management personnel (KMP)	Mrs. Sumita Somany (Non Executive Director)
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Parent Company	Textool Mercantile Private Limited
	Paco Exports Limited
	New Delhi Industrial Promotors and Investors Limited
	Soma Investments Limited
	Murlidhar Rajendra Kumar
Post employment benefit plan	HSI Employees Gratuity Fund
	Somany Provident Fund Institution

The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis.

(₹ in lakh)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Parent Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Transactions during the year				
Rent paid				
Dr. Rajendra Kumar Somany	4.00	4.80	-	-
Textool Mercantile Private Limited	-	-	2.40	2.40
Paco Exports Limited	-	-	29.06	28.05
Contribution made				
- Somany Provident Fund Institution	-	-	323.45	238.07
- H S I Employees Gratuity Fund	-	-	192.67	242.39
Remuneration to key management personnel *				
Dr. Rajendra Kumar Somany	554.56	799.20	-	-
Mr. Sandip Somany	554.56	799.20	-	-
Mr. Sandeep Sikka	201.09	187.84	-	-
Ms. Payal M Puri	48.34	39.82	-	-

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 51 - RELATED PARTY TRANSACTIONS (CONTD.)

(₹ in lakh)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Parent Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Remuneration to relative of key management personnel				
Mrs. Sumita Somany	21.62	66.91	-	-
Dividend payment				
Dr. Rajendra Kumar Somany	123.20	104.80	-	-
Mr. Sandip Somany	91.34	76.59	-	-
Mrs. Sumita Somany	6.44	3.07	-	-
Paco Exports Limited	-	-	851.20	842.32
Soma Investments Limited	-	-	169.40	160.00
New Delhi Industrial Promotors and Investors Limited	-	-	150.00	146.00
Murlidhar Rajendra Kumar	-	-	-	36.52

Details of transaction between the Group and its related parties are disclosed below:

(₹ in lakh)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Parent Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Remuneration payable				
Dr. Rajendra Kumar Somany	146.84	511.07	-	-
Mr. Sandip Somany	268.49	541.81	-	-
Mrs. Sumita Somany	15.84	22.83	-	-

* exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on Parent Company as a whole.

The remuneration and other transactions with members of key managerial personnel during the year was as follows:

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Short-term employee benefits #	1,289.60	1,613.05
Post-employment benefits		
- Defined contribution plan $	68.95	52.26
- Defined benefit plan *		
- Other long-term benefits *		
Dividend paid	220.98	184.46
Rent paid	4.00	4.80
Total	**1,583.53**	**1,854.57**

Including bonus, sitting fee, commission on accrual basis and value of perquisites.

$ including provident fund, leave encashment paid and any other benefit

* As the liability for gratuity and leave encashment are provided on actuarial basis for the Parent Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 52 - EXPENDITURE ON CERAMIC AND APPLIED RESEARCH CENTRE

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	90.02	86.80
Contribution to provident and other funds	9.46	4.27
Others	35.44	20.96
	134.92	**112.03**

NOTE 53 - CORPORATE SOCIAL RESPONSIBILITY

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 ₹337.78 lakh (previous year ₹290.77 lakh) towards CSR activities during the year ended 31 March 2018. 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 year ended 31 March 2018, the Parent Company has contributed the following sums towards CSR initiatives.

(₹ in lakh)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(i) On construction/acquisition of any asset	135.49	55.56
(ii) On purposes other than (i) above	210.14	242.46
	345.63	**298.02**

NOTE 54

The Board of Directors of the Parent Company has approved utilisation of Business Reconstruction Reserve (BRR) by ₹Nil (previous year ₹838.63 lakh) pertaining to write off of old, non-moving and slow inventory done by the Demerged Undertaking during the year ended 31 March 2017. The aforesaid utilisation against BRR is as per the Scheme of Arrangement approved by the Hon'ble High Court of Calcutta vide its order dated 26 March 2010.

NOTE 55

The Board of Directors of the Parent Company, in its meeting held on 10 November 2017 had approved a composite Scheme of Arrangement under section 230 to 232, read with section 66 and other applicable provisions of the Companies Act 2013 and the provisions of other applicable laws, amongst the Parent Company, Somany Home Innovation Limited, a wholly owned subsidiary of the Parent Company ("Resulting Company 1") and Brilloca Limited, a wholly owned subsidiary of Resulting Company 1 ("Resulting Company 2") and their respective shareholders and creditors ("Scheme'). The Scheme provides for the demerger of, (i) the Consumer Products Distribution and Marketing Undertaking ("CPDM Undertaking") and Retail Undertaking of the Parent Company into Resulting Company 1, and (ii) the Building Products Distribution and Marketing Undertaking ("BPDM Undertaking") of the Parent Company into Resulting Company 2. The Appointed Date for the Scheme is 1 April 2018 or such other date as directed by the Hon'ble Kolkata Bench of the National Company Law Tribunal ("NCLT"). The Scheme is subject to necessary regulation, approval and sanction by Hon'ble NCLT. The Parent Company has received approval from BSE Limited and the National Stock Exchange of India Limited and is in the process of filing the application with Hon'ble NCLT for approval.

NOTE 56

A portion of the Parent Company's Kaharani unit engaged in manufacturing of faucets, a part of building products division, had fire on the night of 12th Nov 2017. The necessary surveys by the insurance company has been conducted and unit is duly covered by insurance including reinstatement value clause. The insurance company is in process of assessing the quantum of claims for settlement. Adjustments, if any relating to fire would be carried out upon its final assessment by the insurance company. Based on provisional estimates made by the management, the value of assets and inventories affected by fire is ₹1445 lakh and ₹205 lakh respectively, for which insurance claim has been lodged. In the opinion of management there will not be any material impact on this account on state of affairs and profit of the Group.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 57 - FINANCIAL INSTRUMENTS BY CATEGORY

(₹ in lakh)

Particulars	31 March 2018			31 March 2017		
	FVOCI	FVTPL	Amortised cost	FVOCI	FVTPL	Amortised cost
Non current financial assets						
Investments	3,246.24	-	1.62	3,145.29	-	1.82
Loans	-	-	2,018.93	-	-	1,781.15
Other financial assets	-	-	27.69	-	-	30.04
Current financial assets						
Investments	-	26.72	-	-	10,455.14	-
Trade receivable	-	-	51,375.64	-	-	39,754.62
Cash and cash equivalents	-	-	23,562.37	-	-	13,994.01
Bank balances other than cash and cash equivalents	-	-	457.97	-	-	437.68
Loans	-	-	75.72	-	-	118.23
Other financial assets	-	1,092.17	8.43	-	263.93	-
Total financial assets	**3,246.24**	**1,118.89**	**77,528.37**	**3,145.29**	**10,719.07**	**56,117.55**
Non current financial liabilities						
Non-current borrowings	-	-	52,302.06	-	-	31,732.92
Other financial liabilities	-	-	5,251.40	-	-	5,591.49
Current financial liabilities						
Current borrowings	-	-	63,671.16	-	-	50,370.01
Trade payables	-	-	21,736.62	-	-	19,672.50
Other financial liabilities	-	-	28,597.92	-	-	30,446.06
Total financial liabilities	**-**	**-**	**1,71,559.16**	**-**	**-**	**1,37,812.98**

NOTE 58 - ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2018 (PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013)

(₹ in lakh)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Parent Company								
HSIL Limited	1,48,927.14	100.12	7,476.08	100.89	138.56	97.44	7,614.64	100.83
Subsidiaries:								
Hindware Home Retail Private Limited	(44.95)	(0.03)	(20.16)	(0.27)	3.64	2.56	(16.52)	(0.22)
Somany Home Innovation Limited	4.97	0.00	(5.03)	(0.07)	-	-	(5.03)	(0.07)
Brilloca Limited	8.78	0.01	(1.22)	(0.02)	-	-	(1.22)	(0.02)
Luxxis Heating Solution Private Limited	18.21	0.01	(1.79)	(0.02)	-	-	(1.79)	(0.02)
Halis International Limited	42.63	0.03	(148.64)	(2.01)	-	-	(148.64)	(1.97)
Alchemy International Cooperatief U.A.	27.03	0.02	(142.95)	(1.93)	-	-	(142.95)	(1.89)
Haas International B.V.	62.12	0.04	(131.91)	(1.78)	-	-	(131.91)	(1.75)
Queo Bathroom Innovations Limited	(2.21)	(0.00)	(8.69)	(0.12)	-	-	(8.69)	(0.12)
Less: Consolidation adjustment/elimination	(296.89)	(0.20)	394.32	5.32	-	-	394.32	5.22
Total	**1,48,746.83**	**100.00**	**7,410.02**	**100.00**	**142.20**	**100.00**	**7,552.22**	**100.00**

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 58 - ADDITIONAL INFORMATION TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2018 (PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013) (CONTD.)

Additional information to consolidated financial statements as at 31 March 2017 (Pursuant to Schedule III to the Companies Act, 2013):

(₹ in lakh)

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss	Amount	As a % of consolidated profit and loss
Parent Company								
HSIL Limited	1,45,003.71	100.24	10,301.08	102.71	253.62	99.98	10,554.70	102.64
Subsidiaries:								
Hindware Home Retail Private Limited	12.48	0.01	(96.70)	(0.96)	0.06	0.02	(96.64)	(0.94)
Halis International Limited	159.49	0.11	(5.76)	(0.06)	-	-	(5.76)	(0.06)
Alchemy International Cooperatief U.A.	166.21	0.11	(12.85)	(0.13)	-	-	(12.85)	(0.12)
Haas International B.V.	159.40	0.11	(31.09)	(0.31)	-	-	(31.09)	(0.30)
KS 615 Limited (formerly Barwood Products Limited)	21.94	0.02	(98.93)	(0.99)	-	-	(98.93)	(0.96)
Queo Bathroom Innovations Limited	7.38	0.01	(4.49)	(0.04)	-	-	(4.49)	(0.04)
Less: Consolidation adjustment/elimination	(877.91)	(0.61)	(21.97)	(0.22)	-	-	(21.97)	(0.22)
Total	**1,44,652.70**	**100.00**	**10,029.29**	**100.00**	**253.68**	**100.00**	**10,282.97**	**100.00**

NOTE 59

The Hon'ble National Company Law Tribunal of Kolkata, West Bengal, vide its order dated 4 May 2017 approved the Composite Scheme of Arrangement (the "Scheme") between the Parent Company and its wholly owned subsidiary Hindware Home Retail Private Limited (HHRPL), their shareholders and creditors. Pursuant to the Scheme, all the properties, assets, rights, claims and obligations of the Retail Business of HHRPL (the "Demerged Undertaking") has been transferred and vested in the Parent Company on a going concern basis with effect from the Appointed Date i.e., 1 April 2015. The Scheme has been accounted for as a business combination of entities under the common control.

Significant Accounting Policies and Other Explanatory Information to the Consolidated Financial Statements

for the year ended 31 March 2018

NOTE 60 - DIVIDEND

In respect of the current year, the directors of the Parent Company propose that a dividend of ₹4/- per share to be paid on equity shares of ₹2 per share. This equity dividend is subject to approval by shareholders of the Parent Company at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders of the Parent Company on the Register of Members. The total estimated equity dividend to be paid is ₹2891.86 lakh. The payment of this dividend is estimated to result in payment of dividend tax of ₹594.43 lakh on the amount of dividends grossed up for the related dividend distribution tax.

NOTE 61 - EXCEPTIONAL ITEM

On 17 October 2017, one of the warehouses relating to the Retail Business division of the Parent Company had fire which resulted in a loss of ₹654.15 lakh and has been duly provided in the books of accounts for the year ended 31st March 2018. Insurance claims relating to the loss has been filed and the settlement amounts of insurance claims as received would be accounted for on receipt.

NOTE 62

Previous period figures have been regrouped /re-arranged wherever considered necessary to confirm to the current year's classification.

In terms of our report attached.

For Lodha & Co
Chartered Accountants
Firm Registration No.:301051E

N.K. Lodha
Partner
M. No. 85155
Place : Gurugram
Date : 30 May 2018

For and on behalf of the Board of Directors

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Payal M. Puri
Company Secretary
ACS No.: 16068

Sandeep Sikka
Chief Financial Officer

Form AOC-1

(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 (₹ in lakh)

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	Other comprehensive income	Total comprehensive income for the year	Proposed dividend	% of shareholding (including stepdown subsidiary holding)
1	Hindware Home Retail Pvt. Ltd.	Reporting period is same as holding company	INR	64.00	(108.94)	239.79	284.73	-	774.77	(17.67)	2.49	(20.16)	3.64	(16.52)	-	100%
	(Subsidiary of HSIL Limited)															
2	Somany Home Innovation Limited		INR	10.00	(5.03)	11.64	6.67	-	-	(5.03)	-	(5.03)	-	(5.03)	-	100%
	(Subsidiary of HSIL Limited)															
3	Brilloca Limited		INR	10.00	(1.22)	9.25	0.47	8.57	-	(1.22)	-	(1.22)	-	(1.22)	-	100%
	(Subsidiary of Somany Home Innovation Limited)															
4	Luxxis Heating Solutions Private Limited		INR	20.00	(1.79)	18.68	0.47	18.15	-	(1.79)	-	(1.79)	-	(1.79)	-	100%
	(Subsidiary of HSIL Limited)															
5	Halis International Ltd.		USD 1 = INR 65.0441	1,894.18	(1,851.55)	43.61	0.98	-	-	(148.64)	-	(148.64)	-	(148.64)	-	100%
	(Subsidiary of HSIL Ltd.)															
6	Alchemy International Cooperatief U.A. *		EURO 1 = INR 80.6222	1,818.91	(1,791.88)	62.03	35.00	-	-	(142.95)	-	(142.95)	-	(142.95)	-	100%
	(Subsidiary of Halis International Ltd.)															
7	Haas International B.V.		EURO 1 = INR 80.6222	10.88	51.24	63.78	1.66	-	-	(131.91)	-	(131.91)	-	(131.91)	-	100%
	(Subsidiary of Alchemy International Cooperatief U.A.)															
8	Queo Bathroom Innovations Ltd.		GBP 1 = INR 82.2846	0.80	(3.00)	7.33	9.54	-	-	(8.69)	-	(8.69)	-	(8.69)	-	100%
	(Subsidiary of Haas International B.V.)															

* 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 : KS 615 Limited, United Kingdom

Part "B" : Associates and Joint Ventures

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to associate companies/joint ventures

(₹ in lakh)

Sr. No.	Name of Associates/Joint Ventures	1. Latest audited Balance Sheet Date	2. Share of Associate/Joint Venture held by the company on the year end			3.Description of how there is significant influence	4. Reason why the associate/ joint venture is not consolidated	5. Networth attributable to Shareholding as per latest audited Balance Sheet	6.Profit/Loss for the year	
			No.	Amount of investment in Associates/Joint Venture	Extend of Holding %				i. Considered in Consolidation	i. Not considered in Consolidation
					Nil					

Note 1 : Name of associates or joint ventures which are yet to commence operations : Nil

Note 2 : Name of associates or joint ventures which have been liquidated or sold during the year : Nil

Sandip Somany
Vice Chairman and Managing Director
DIN: 00053597

Dr. Rajendra Kumar Somany
Chairman and Managing Director
DIN: 00053557

Payal M. Puri
Company Secretary
ACS No.: 16068

Sandeep Sikka
Chief Financial Officer

Place : Gurugram
Date : 30 May 2018

HSIL Limited

Registered Office: 2, Red Cross Place, Kolkata – 700 001
Phone: 91-33-2248 7407/5668
E-mail: hsilinvestors@hindware.co.in; website: www.hindwarehomes.com
CIN: L51433WB1960PLC024539

Notice

Notice is hereby given that the 58th 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 Thursday, the 6 September 2018 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:

The audited financial statements of the Company for the financial year ended 31 March 2018, the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended 31 March 2018 and Auditors Report thereon.

2. To declare Dividend on Equity Shares for the year ended 31 March 2018.

3. To appoint a Director in place of Ms. Sumita Somany (DIN 00133612) who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. Remuneration by way of Commission to Non-executive Directors.

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

"**RESOLVED THAT** in accordance with the provisions of Sections 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company do hereby authorise the payment of Commission to the Directors of the Company (Other than the Managing and Whole-time Directors) of 1% (One percent) on the net profits of the Company, (to be divided amongst them, in such amounts or in proportion and in such manner as may be determined by the Board of Directors of the Company from time to time and in default of such determination equally) to be computed in the manner prescribed in Section 198 of the Companies Act, 2013 in any financial year of the Company for a further period of 5 years, commencing from 1 April 2018 upto 31 March 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient in order to give effect to the above resolution."

5. Increase in the borrowing powers of the Board of Directors.

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

"**RESOLVED THAT** in supersession of the earlier resolutions passed, the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company, free reserves and securities premium that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not at any time exceed ₹3,000 Crores (Rupees Three Thousand Crores Only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

6. Approval for continuation of Directorship of Mr. Vijay Kumar Bhandari as an Independent Director of the Company.

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

"**RESOLVED THAT** in continuation of the resolution passed by the members at the 54th Annual General Meeting of the Company held on 27 September 2014 and pursuant to the provisions of Section 149, schedule IV and other

applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with applicable rules made there under, and regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ('new provision") effective 1 April 2019, duly issued vide SEBI Notification dated 9 May 2018 (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) and subject to such other laws, rules, regulations etc. as may be applicable in this regard and pursuant to the approval of the Board vide its resolution dated 30 May 2018, the consent of the members be and is hereby accorded to continue the directorship of Mr. Vijay Kumar Bhandari, as a Non-executive and Independent Director of the Company from the period beginning from 1 April 2019 or such other date as maybe notified by SEBI from time to time (being the date on which the new provision becomes effective) till the expiry of his tenure as an Independent Director as per the terms of his appointment.

RESOLVED FURTHER THAT any Directors and/ or the Company Secretary of the Company be and are hereby authorized severally to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, if any, in relation to the above and to settle all matters arising out of and incidental thereto and to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the said Resolution."

By order of the Board
For HSIL Limited

Place : Gurugram
Date : 30 May 2018

(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. **M/s. Lodha & Co., Chartered Accountants, Firm Registration No. 301051E, were appointed Statutory Auditors of the Company from conclusion of 57th Annual General Meeting till conclusion of 62nd Annual General Meeting of the Company, subject to ratification at every Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors. The Ministry of Corporate Affairs (MCA) vide its circular dated 7 May 2018 notified various sections of The Companies (Amendment) Act, 2017, thereby modifying Section 139 of Companies Act, 2013. Accordingly, the requirement for ratification of appointment of Statutory Auditors by the shareholders at every Annual General Meeting has been omitted, hence no such resolution is proposed at this Annual General Meeting.**

3. 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.

4. 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.

5. A copy of the financial statements of the Company for the financial year ended 31 March 2018 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.

6. 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.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from 25 August 2018 to 6 September 2018 (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 25 August 2018 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 24 August 2018. The dividend, if declared, shall be paid by 11 September 2018.

8. 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. Shareholders of the Company are informed that pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the amount of dividend which remains unpaid/ unclaimed for a period of 7 consecutive 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 2009-2010 has been transferred to IEPF.

Shareholders who have not encashed their dividend warrant(s) for the year from 2010-2011 to 2016-2017 are requested to make claim with the Company immediately. Dividend declared by the Company for the financial year 2010-2011, remain unpaid/unclaimed is due for transfer on or after 20 October 2018 to IEPF. A statement containing names, last known addresses and unpaid dividend of such shareholders is available on the website of the Company, i.e. www.hindwarehomes.com.

Shareholders whose amount has been transferred to IEPF as above may claim refund from IEPF in accordance with provisions of Companies Act, 2013 and rules made thereunder.

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013, and of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed by the Shareholders for seven consecutive years, the Company is required to transfer such Equity Shares of the members to the Demat Account of the IEPF. The Company has sent a communication to all shareholders concerned and had also published a Notice in the leading Newspaper both in English and Vernacular paper, with respect to the formalities and process of such transfers. The Company will transfer such shares to the Demat Account of IEPF Authority, as per the guidelines issued by the concerned authority/(ies) from time to time.

9. 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 the prescribed Form SH.13 to the Registrar and Transfer Agent of the Company 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 respective Depository Participants (DPs).

10. Members 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 and Transfer Agent viz. M/s. Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th Floor, Kolkata –700 001, for necessary endorsement thereon.

11. Furnishing a copy of PAN Card of both transferor and transferee 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 Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2018 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 Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and Transfer Agent of the Company.

15. The Company has designated an exclusive e-mail 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 Rule 20 of the Companies (Management and Administration) Rules, 2015, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. on close of business hours of 30 August 2018.

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 on close of business hours of 30 August 2018 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 on close of business hours of 30 August 2018, may contact RTA or CDSL to obtain User ID and password to vote on the resolution 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 9:00 a.m. (IST) on Monday the 3 September 2018
End of e-voting	Upto 5:00 p.m. (IST) on Wednesday the 5 September 2018

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 along with 58th 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, should be uploaded 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 e-voting 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 forty eight hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman or a person 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. 6 September 2018.

STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Company by a Special Resolution passed by the Members of the Company at its 53rd Annual General Meeting held on Monday, the 30 September 2013, was authorized to make payments to its Directors (other than the Managing and Whole-time Directors of the Company) of a Commission of 1% (One percent) of the net profits of the Company for each of the Financial Year for a period of Five (5) years commencing from the 1 April 2013 and ending on the 31 March 2018.

The said resolution has expired by efflux of time and accordingly in terms of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013, it is proposed to pass a fresh resolution by way of Special Resolution for the purpose of continuity of payment of such commission to Non-executive Directors for each Financial Year for further period of Five (5) years commencing from 1 April 2018 to 31 March 2023.

The resolution set out under item no. 4 of the accompanying Notice is intended for seeking member's approval and the Board of Directors accordingly recommend the same.

All the Directors are interested in the said resolution either directly or indirectly. None of the Key Managerial Personnel or their relatives, except to the extent of their shareholding in the Company, are interested in this resolution.

Item No. 5

Members of the Company by way of a Special Resolution passed through Postal Ballot on 6 July 2016, had accorded its consent to the Board of Directors to borrow funds to the extent of ₹2,000 Crore in excess of the paid up capital and free reserves of the Company.

In view of Company's consistent requirements for financing the capital expenditure on expansion and modernization programs and partly to augment the long term capital requirements for Company's growing activities and operations, it is necessary to raise the existing borrowing limit of ₹2,000 Crore to ₹ 3,000 Crore.

Thus, pursuant to provisions of Section 180 of the Companies Act, 2013 consent of the members is required by way of a Special Resolution for said enhancement in borrowing limit of the Company.

None of the Directors or Key Managerial Personnel or their relatives, except to the extent of their shareholdings, are interested in this resolution.

The Board recommends the Special Resolution set out under item no.5 of the accompanying Notice for approval by the members.

Item No. 6

The Securities and Exchange Board of India (SEBI) on 9 May 2018 notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (Amended Listing Regulations) and amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to Regulation 17(1A) of the Amended Listing Regulations, effective from 1 April 2019, a listed entity shall not appoint any person or continue the directorship of any person as a Non-executive Director who has attained the age of seventy five years unless a special resolution is passed in this regard.

The Company in its Annual General Meeting held on 27 September 2014 had appointed Mr. Vijay Kumar Bhandari as Non-executive and Independent Director for a period of 5 years with effect from 27 September 2014. His tenure as an Independent Director will expire by efflux of time at the Annual General Meeting to be held in the financial year 2018-19.

Mr. Vijay Kumar Bhandari, aged 74 years, is a B.Com. (Hons.) and Chartered Accountant having vast experience in Banking Industry in various capacities at various offices of Central Bank of India for over 31 years. Mr. Bhandari will turn 75 years in the month of October 2018.

Mr. Vijay Kumar Bhandari serves as Chairman of Audit Committee and is also member of Nomination and Remuneration Committee and Stakeholder Relationship (Shareholders/Investor Grievance) Committee of the Company. Being the Chairman of the Audit Committee, he has guided the Company on various financial aspects and has contributed effectively towards streamlining the functioning of the Audit Committee keeping in view the enhanced roles and responsibilities of the Audit Committee under various statutes. He has also contributed significantly as a member of the other committees mentioned above.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Vijay Kumar Bhandari as an Independent Director.

The Board recommends the Special Resolution set out under item no.6 of the accompanying Notice for approval by the members.

Except for Mr. Vijay Kumar Bhandari, none of the Directors, Key Managerial Personnel (KMP) or their relatives except to the extent of their shareholdings, are interested in this resolution set out at item no 6 of the accompanying Notice.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Directors seeking appointment / re-appointment

Ms. Sumita Somany

Age	51 Years
No. of Shares held	161000
Qualification	B.Com
Brief Resume and Nature of her Expertise in specific functional areas	Mrs. Sumita Somany is a professional with insight and expertise in the domain of home interiors with more than 10 years of experience and has been instrumental in expansion of the Company.
Names of listed entities in which the Directorship is held	-
Listed entities in which the membership of the Committees of Boards is held	-

HSIL Limited

Registered Office: 2, Red Cross Place, Kolkata – 700 001
Phone: 91-33-2248 7407/5668
E-mail: hsilinvestors@hindware.co.in; website: www.hindwarehomes.com
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 58th Annual General Meeting of the Company held at Sripati Singhania Hall, Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Thursday, the 6 September 2018 at 11:00 a.m.

.....

Signature of the Member / Joint Member / 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 7407/5668
E-mail: hsilinvestors@hindware.co.in; website: www.hindwarehomes.com
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:

1. Name:.....Address: .....

   E-mail Id : .....Signature: ..... or failing him/her

2. Name: .....Address: .....,.....

   E-mail Id : .....Signature: .....or failing him/her

3. Name:.....Address: .....

   E-mail Id : ..... Signature: ..... as my / our

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58th Annual General Meeting of the Company, to be held on Thursday, the 6 September 2018 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
1.	To consider and adopt: The audited financial statements of the Company for the financial year ended 31 March 2018, the reports of the Board of Directors and Auditors thereon and the audited consolidated financial statements of the Company for the financial year ended 31 March 2018 and Auditors Report thereon.			
2.	To declare Dividend on Equity Shares for the year ended 31 March 2018.			
3.	To appoint a Director in place of Ms. Sumita Somany (DIN 00133612) who retires by rotation and, being eligible, offers herself for re-appointment			
4.	Remuneration by way of Commission to the Non-executive Directors.			
5	Increase in the borrowing powers of the Board of Directors			
6	Approval for continuation of Directorship of Mr. Vijay Kumar Bhandari as an Independent Director of the Company.			

Signed this ..... day of 2018

Affix Revenue Stamp ₹ 1/-

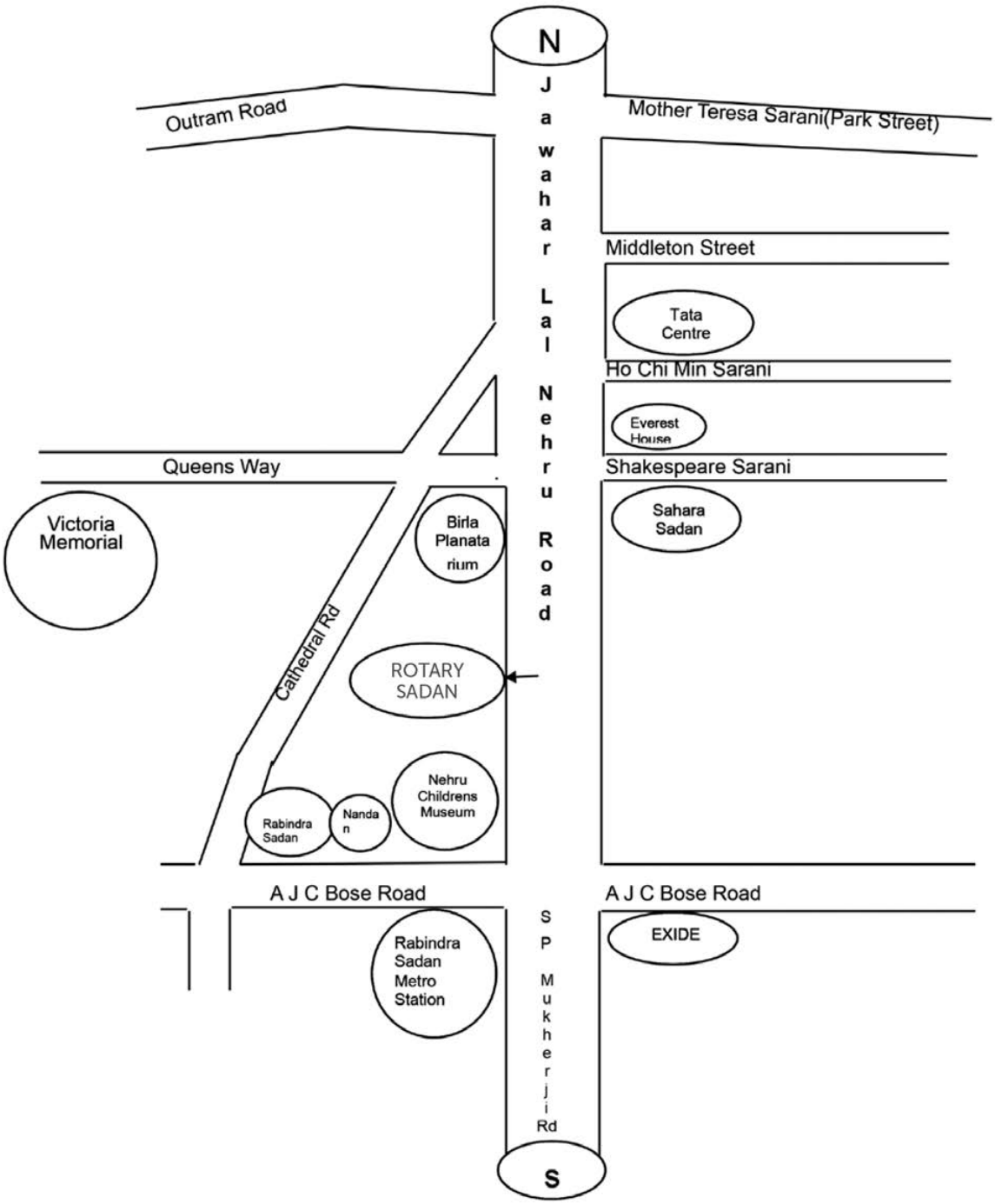
Signature of shareholder .....

Signature of Proxy holder (s): .....

Note:

1. 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.
2. A Proxy need not be a member of the Company.
3. 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.
4. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
5. 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.

ROAD MAP


N
Jawahar Lal Nehru Road
Outram Road
Mother Teresa Sarani(Park Street)
Middleton Street
Tata Centre
Ho Chi Min Sarani
Everest House
Queens Way
Shakespeare Sarani
Sahara Sadan
Victoria Memorial
Birla Planata rium
Cathedral Rd
ROTARY SADAN
Nehru Childrens Museum
Rabindra Sadan
Nanda n
A J C Bose Road
A J C Bose Road
EXIDE
Rabindra Sadan Metro Station
S P Mukherji Rd
S

Corporate Information

BOARD OF DIRECTORS

Dr. Rajendra Kumar Somany
Chairman and Managing Director
Mr. Sandip Somany
Vice Chairman and Managing Director
Mrs. Sumita Somany
Mr. Ashok Jaipuria
Mr. G. L. Sultania
Mr. N. G. Khaitan
Mr. V. K. Bhandari
Dr. Rainer Siegfried Simon
Mr. Salil Kumar Bhandari

COMPANY SECRETARY

Ms. Payal M. Puri

STATUTORY AUDITORS

M/s Lodha & Co.,
Chartered Accountants

INTERNAL AUDITORS

M/s DH Consultants Pvt. Ltd.

REGISTERED OFFICE

2, Red Cross Place, Kolkata - 700 001
Tel: +91 33 22487407/5668
E-mail: hsilinvestors@hindware.co.in

CORPORATE OFFICE

301-302, Park Centra, Sector 30,
National Highway 8,
Gurugram -122001
Tel: +91 1244 779200/201
Fax: +91 1244 292898/99

CONSUMER PRODUCTS BUSINESS OFFICE

Echelon Institutional, Plot No. 37 B,
Sector-32, Near Jharsa Chowk,
Gurugram, Haryana - 122 001
Tel: +91 1244 2889300

PLANT LOCATIONS BUILDING PRODUCTS DIVISION

Sanitaryware

Bahadurgarh -124 507,
Dist. Jhajjar, Haryana
Tel: +91 1276-230485/6/7 &
232226/7/8

Somanypuram Brahmanapally Village,
Bibinagar, Dist. Nalgonda - 508 126,
Telangana
Tel: +91 8685-279700, 279800

Faucets

G 470-471, Phase I,
RIICO Industrial Area,
Bhiwadi - 301 019, Rajasthan

Plot No. SP1 - 254,
RIICO Industrial Area,
Kaharani, Bhiwadi - 301 019, Rajasthan
Tel: +91 9116002242/43

Pipes

Survey No. 218, Sitarampur,
Isnapur - 502 307, Patancheru
(Mandal),
Sangareddy Dist., Telangana
Tel: +91 8455-225500

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

KIADB Industrial Area,
Lakamanhalli,
Dharwad - 580 004, Karnataka
Tel: +91 0836 2461390

Khasra No. 122,
Pachwadoon, Mauja Central
Hope Town, Pargana (Selaqui)
Dehradun - 248 197, Uttarakhand
Tel: +91 0135 2699150

Survey No.208 to 218, Sitarampur,
Isnapur - 502 307,
Patancheru (Mandal),
Sangareddy Dist., Telangana
Tel: +91 8455 225868

AGI Clozures

Survey No. 208 to 218, Sitarampur,
Isnapur - 502 307,
Patancheru (Mandal),
Sangareddy Dist., Telangana
Tel: +91 8455 225511

BANKERS

Andhra Bank
Canara Bank
Central Bank of India
Citibank N.A.
Citicorp Finance (India) Limited
DBS Bank Ltd.
HDFC Bank Ltd.
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai Banking
Corporation Limited

REGIONAL OFFICES

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EVOK Stores

Delhi - Kirtinagar
Haryana - Crown Interioz Mall, Faridabad;
JMD Mall, Gurugram
Uttar Pradesh - Shipra Mall, Ghaziabad;
Shalimar Bulding Hazratganj, Lucknow
Punjab - Ferozpur Road, Ludhiana
Telangana - Jubilee Hills, Hyderabad
Karnataka - Marathahalli, Bengaluru
J.P. Nagar, Bengaluru
Kalyan Nagar, Bengaluru
Rajasthan - Tonk Road, Jaipur
Madhya Pradesh - Malhar Mega Mall, Indore
Gujarat - S.G. Highway, Ahmedabad
Vimram Sarabhai Marg, Baroda

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