

HSIL

CIN - L51433WB1960PLC024539

Corporate Office : 301-302, IIIRD Floor, Park Centra, Sector 30, NH-8, Gurugram, Haryana -122 001 | Tel : + 91-124-4779200

Registered Office : 2, Red Cross Place, Kolkata - 700 001, West Bengal | Tel: + 91-33-22487407 / 5668

Email : [hsilinvestors@hsilgroup.com](mailto:hsilinvestors@hsilgroup.com), Website : [www.hsilgroup.com](http://www.hsilgroup.com)

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PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF HSIL LIMITED FOR THE BUYBACK OF EQUITY SHARES UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This public announcement ("Public Announcement") is being made pursuant to the provisions of Regulation 16 (iv) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments thereto from time to time ("Buyback Regulations") and contains the disclosures as specified in Schedule IV to the Buyback Regulations read with Schedule I of the Buyback Regulations

OFFER TO BUYBACK EQUITY SHARES OF HSIL LIMITED ("COMPANY") OF FACE VALUE OF Rs.2/- (RUPEES TWO ONLY) EACH ("EQUITY SHARES") FROM THE OPEN MARKET THROUGH STOCK EXCHANGES.

Part A - Disclosures in accordance with Schedule I of the Buyback Regulations

1 DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1. Pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act" or the "Act") the Companies (Share Capital and Debentures) Rules, 2014 ("Share Capital Rules"), the Companies (Management and Administration) Rules, 2014 ("Management Rules"), and the provisions of the Buyback Regulations, Articles of Association of the Company and pursuant to the resolutions passed by the board of directors of the Company (the Board of Directors of the Company are hereinafter referred to as the "Board" or the "Board of Directors") at its meeting held on 21st September, 2020 ("Board Meeting"), the Board approved the buyback of the Company's fully paid-up equity shares of the face value of Rs.2/- (Rupees Two only) each ("Equity Shares") from its shareholders/ beneficial owners excluding promoters, promoter group and persons who are in control of the Company, via the 'open market' route through the stock exchanges, for a total amount not exceeding Rs.70,00,00,000 (Rupees Seventy Crores only) ("Maximum Buyback Size"), and at a price not exceeding Rs.105 (Rupees One Hundred Five) per Equity Share ("Maximum Buyback Price"), payable in cash (the process being referred hereinafter as "Buyback"). The Maximum Buyback Size shall not include any expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors' fees, stock exchange fees, brokerage buy back tax, applicable taxes including inter alia securities transaction tax, goods and services tax, stamp duty etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses ("Transaction Costs").

1.2. The Maximum Buyback Size represents 7.19% of the aggregate of the total paid-up Equity Share capital and free reserves (which includes the securities premium account) of the Company based on the standalone audited financial statements of the Company as on 31st March, 2020 (being the latest available audited standalone financial statements of the Company). Further, since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68 (2)(b) of the Act, the approval of the shareholders of the Company is not required.

1.3. At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 66,66,667 ("Maximum Buyback Shares") which is 9.22% of the total number of paid-up Equity Shares of the Company. If the equity shares are bought back at a price below the Maximum Buyback Price, the actual number of equity shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 25% of the total number of Equity Shares forming part of the paid up equity share capital of the Company. The Company will comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid-up equity share capital of the Company as provided under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Buy-back Period and upon completion thereof.

1.4. Unless otherwise permitted under applicable law, the Company shall utilize at least 50% of the Maximum Buyback Size i.e., Rs. 35,00,00,000 (Rupees Thirty Five Crores) ("Minimum Buyback Size") towards the Buyback and accordingly, based on the Maximum Buyback Price and Minimum Buyback Size, the Company will purchase an indicative minimum number of 33,33,333 (Thirty Three Lakhs Thirty Three Thousand Three Hundred Thirty Three) Equity Shares.

1.5. The Board (or the existing committee of directors empowered by the Board to exercise its powers in relation to the Buyback, i.e., its Committee of Directors), shall determine, at its discretion, the time frame for completion of the Buyback and may close the Buyback (which shall not be longer than six (6) months from the date of commencement of the Buyback or such other period as may be permitted under the Act and/or Buyback Regulations or as may be directed by the appropriate authorities) after the Minimum Buyback Size has been reached, and irrespective of whether the Maximum Buyback Size has or has not been reached, after giving appropriate notice for such closure and on completing all formalities in this regard, in accordance with the Act and / or Buyback Regulations.

1.6. The Buyback (including Transaction Costs) will be implemented by the Company out of its securities premium account, free reserves and / or such other source as may be permitted under Section 68(1) of the Act and Regulation 4(x) of the Buyback Regulations and shall be from the open market purchases through the stock exchanges by the order matching mechanism except 'all or none' order matching system, as provided under the Buyback Regulations.

1.7. The Buyback is subject to receipt of such sanctions and approvals from statutory, regulatory or governmental authorities, as may be required under applicable laws, including the Reserve Bank of India, the Securities and Exchange Board of India ("SEBI") and the stock exchanges on which the Equity Shares are listed, namely, National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (hereinafter together referred to as the "Stock Exchanges").

1.8. This Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and members of foreign nationality, if any, etc. is subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there-under, if any, and such approvals shall be required to be taken by such non-resident members.

1.9. A copy of this Public Announcement is available on the website of the Company at [www.hsilgroup.com](http://www.hsilgroup.com), and is expected to be available on the website of SEBI i.e. [www.sebi.gov.in](http://www.sebi.gov.in) during the period of the Buyback and on the websites of the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), respectively.

2 NECESSITY FOR THE BUYBACK

Buyback is the process of acquisition by the Company of its own Equity Shares. The Buyback is expected to achieve the objective of returning surplus funds to the shareholders, optimizing the capital structure, improving return on equity through distribution of surplus funds, improving earnings per share by reduction in equity base and increasing shareholders' value in the long term. The Buyback is not likely to cause any material impact on the profitability/earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback. The Buyback may lead to reduction in outstanding Equity Shares, improvement in 'earnings per share' and enhanced return on equity, assuming that the Company would earn similar profits as in the past.

3 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES & BASIS OF ARRIVING AT THE BUYBACK PRICE

3.1 The Maximum Buyback Price of Rs. 105 per Equity Share has been arrived at after considering various factors, including trends in the market price of the Equity Shares on the Stock Exchanges, the net worth of the Company and the potential impact of the Buyback on the earnings per share and other similar ratios of the Company.

3.2 The Maximum Buyback Price of Rs.105 per Equity Share represents: (i) a premium of 82.72% and 82.10% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback i.e. 16th September, 2020; (ii) a premium of 67.27% and 65.88% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback i.e. 16th September, 2020; and (iii) a premium of 43.05% and 42.76% over the closing market price of the Equity Shares as on the trading day prior to the date of the Board Meeting i.e. 21st September, 2020 on BSE and NSE respectively. The closing market price of the Equity Shares as on the date of Board Meeting i.e. 21st September, 2020, was Rs.71.40 and Rs.70.75 on BSE and NSE, respectively.

3.3 The actual number of Equity Shares bought back will depend upon the actual price paid for the Buyback, excluding the Transaction Costs paid for the Equity Shares bought back, and the aggregate amount paid in the Buyback, subject to the Maximum Buyback Size. The actual reduction in outstanding number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buyback period.

4 MAXIMUM AMOUNT, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES & SOURCES OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED

The Maximum Buyback Size of Rs. 70,00,00,000 (Rupees Seventy Crores only) (excluding Transaction Costs) is 7.19% of the aggregate of the fully paid up equity share capital and free reserves (which includes the securities premium account) as per the last audited standalone financial statements of the Company, as at 31st March,

2020. The Buyback (including the Transaction Costs) would be financed out of free reserves (which includes the securities premium account) of the Company and / or such other sources as may be permitted by the Buyback Regulations and the Companies Act, and on such terms and conditions as the Board may deem fit. The Company shall transfer from its free reserves (which includes the securities premium account) a sum equal to the face value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

5 MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUYBACK

5.1 At the Maximum Buyback Price and for Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 66,66,667 (Sixty Six Lakhs Sixty Six Thousand Six hundred Sixty Seven) which is 9.22% of the total number of paid-up Equity Shares of the Company.

5.2 If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 25% of the total paid up Equity Share capital of the Company as at 31st March, 2020.

6 DETAILS OF SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP OF THE COMPANY AND OTHER DETAILS

6.1 The aggregate shareholding of the (i) promoter and members of the promoter group of the Company who are in control of the Company, (ii) directors of the promoter and corporate members of the promoter group of the Company, and (iii) directors and key managerial personnel of the Company as on the date of the Board Meeting i.e. 21st September, 2020, is as follows:

Sl. No.	Name	No. of Equity Shares held	% of Equity Shareholding in the Company
(i) Shareholding of Promoter and Members of the Promoter Group in the Company			
1.	Dr. Rajendra Kumar Somany	3410000	4.72
2.	Mr. Sandip Somany	2187731	3.03
3.	Ms. Sumita Somany	161000	0.22
4.	Ms. Divya Somany	146912	0.20
5.	Sandip Somany HUF	95832	0.13
6.	Mr. Shashvat Somany	76244	0.11
7.	Somany Impresa Limited	32895000	45.50
8.	Matterhorn Trust	100	Negligible
Total Shareholding of Promoter and Members of the Promoter Group (A)		38972819	53.91
(ii) Shareholding of Directors of Somany Impresa Limited in the Company			
1.	Dr. Rajendra Kumar Somany*	-	-
2.	Mr. Sandip Somany*	-	-
3.	Ms. Sumita Somany*	-	-
4.	Mr. Giridhari Lal Sultania#	50705	0.07
5.	Mr. Niranjan Kumar Goenka	-	-
6.	Mr. Basant Kumar Perwal	-	-
7.	Mr. Rohit Kumar Somany	-	-
Total (B)		50705	0.07
(iii) Shareholding of Directors of the Company			
1.	Dr. Rajendra Kumar Somany* Chairman and Managing Director	-	-
2.	Mr. Sandip Somany* Vice Chairman and Managing Director	-	-
3.	Ms. Sumita Somany* Non-executive Non-independent Director	-	-
4.	Mr. Giridhari Lal Sultania# Non-executive Non-independent Director	-	-
5.	Mr. Vijay Kumar Bhandari Independent Director	-	-
6.	Mr. Nand Gopal Khaitan Independent Director	132	Negligible
7.	Mr. Anil Wadhwa Independent Director	-	-
8.	Mr. Rakesh Sarin Independent Director	-	-
9.	Ms. Himalyani Gupta Independent Director	-	-
Total (C)		132	Negligible
(iv) Shareholding of Key Managerial Personnel of the Company			
1.	Mr. Om Prakash Pandey Chief Financial Officer	-	-
2.	Mr. Pulkit Bhasin Company Secretary	-	-
Total (D)		-	-
Total (A+B+C+D)		39023656	53.98

\* Please refer point (i) for shareholding.  
# Please refer point (ii) for shareholding.

6.2 No Equity Shares or other specified securities of the Company have been purchased or sold by the (i) promoter and members of the promoter group of the Company, (ii) directors of the promoter and corporate members of the promoter group of the Company, and (iii) directors and key managerial personnel of the Company, on the stock exchanges or off market during a period of twelve (12) months preceding the date of the Public Announcement i.e. 22nd September, 2020 and the six (6) months preceding the date of the Board Meeting i.e. 21st September, 2020, except for the following:

Name	Aggregate No. of Equity Shares acquired / sold	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
Somany Impresa Limited (Formerly: Peco Exports Limited)	33,00,000	Market purchase	57.88	12/02/2020	48.90	07/02/2020
Sandip Somany	(95,832)	Inter-se transfer	Not Applicable	Applicable	Not Applicable	Not Applicable
Sandip Somany HUF	95,832	Inter-se transfer	Not Applicable	Applicable	Not Applicable	Not Applicable

7 NON - PARTICIPATION BY THE PROMOTER AND MEMBERS OF THE PROMOTER GROUP OF THE COMPANY IN THE BUYBACK

7.1 As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company.

7.2 Further, as per Regulation 24(i)(e) of the Buyback Regulations, the promoter and members of the promoter group of the Company and their respective associates have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and the members of the promoter group of the Company) from the date of the Board Meeting till the date of the Public Announcement and shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and the members of the promoter group of the Company) from the date of the Public Announcement till the completion of the Buyback.

8 SUBSISTING DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

9 CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT

9.1 All the Equity Shares of the Company are fully paid-up.

9.2 The Buyback period extends from 21st September, 2020, i.e., the date of the Board resolution authorising the Buyback to the date on

which the last payment of consideration for the Equity Shares bought back by the Company is made ("Buyback Period"). The Company is not permitted to raise further capital for such period following the date of expiry of the Buyback Period (except in discharge of its subsisting obligations) as specified in the Buyback Regulations, read with the relevant circulars issued by SEBI from time to time.

9.3 The Buyback shall open not later than seven (7) working days from the date of Public Announcement and shall close within a period of six (6) months from the date of opening of the Buyback.

9.4 The Company shall not issue any Equity Shares or other specified securities (including by way of bonus or convert any outstanding stock options/outstanding instruments into Equity Shares) during the Buyback Period.

9.5 The Company has not under taken a buyback of any of its securities during the period of one year immediately preceding the date of the Board Meeting i.e. 21st September, 2020 and shall not make any offer of buyback within a period of one year from the date of expiry of the Buyback Period.

9.6 The Company shall not buy back its shares from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or through private arrangement.

9.7 The Equity Shares bought back by the Company shall be compulsorily extinguished and destroyed in terms of the Buyback Regulations and will not be held for re-issue at a later date.

9.8 The funds borrowed from banks and financial institutions will not be used for the Buyback.

9.9 The Company will not issue the same kind of shares including allotment of new shares under clause (a) of sub-section (1) of section 62 of the Companies Act or other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

9.10 The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up share capital and free reserves after the Buyback as prescribed under Buyback Regulations, the Companies Act, the rules made there-under and other applicable laws.

9.11 The Company is not under taking the Buyback to delist its Equity Shares from the Stock Exchanges.

9.12 There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act as on date.

9.13 The Company shall not withdraw the Buyback after the date of this Public Announcement.

10 CONFIRMATIONS FROM THE BOARD

The Board of Directors of the Company has confirmed during the Board Meeting on 21st September, 2020, that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

10.1 Immediately following the date of the Board Meeting approving the Buyback on 21st September, 2020, there will be no grounds on which the Company could be found unable to pay its debts;

10.2 As regards the Company's prospects for the year immediately following the date of the Board Meeting and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and

10.3 In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956, Companies Act, or the Insolvency and Bankruptcy Code, 2016 as applicable (including prospective and contingent liabilities).

11 REPORT OF THE AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

The text of the report dated 21st September, 2020 received from Lodha & Co., Chartered Accountants, the statutory auditors of the Company, addressed to the Board of Directors is reproduced below :

Quote

REPORT OF THE AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

To,  
The Board of Directors  
HSIL Limited  
2, Red Cross Place,  
Kolkata - 700 001  
West Bengal  
Dear Sir / Ma'am

Sub: Statutory Auditor's Report in respect of the proposed buyback of equity shares by HSIL Limited (the "Company") in terms of Schedule IV read with Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 ("Buyback Regulations").

1. This report is issued in accordance with the terms of our engagement letter dated 21st September, 2020.

2. The Board of Directors of the Company has approved a proposal for buyback of equity shares of the Company ("Equity Shares") at its meeting held on 21st September, 2020 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") and the Buyback Regulations. We have been requested by the management of the Company to perform a reasonable assurance engagement on the accompanying statement of permissible capital payment ("Annexure") as at 31st March, 2020 (hereinafter referred to as the "Statement"). This statement has been prepared by the management of the Company, which we have initiated for the purposes of identification only.

MANAGEMENT'S RESPONSIBILITY

3. The preparation of the Statement in accordance with Section 68(2) of the Companies Act, 2013 and the compliance with the Buyback Regulations, is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Board of Directors of the Company are responsible to make a full inquiry into the affairs of the Company and to form an opinion that the Company will be able to pay its debts from the date of the board meeting and will not be rendered insolvent within a period of one year from the date of meeting and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

AUDITOR'S RESPONSIBILITY

5. Pursuant to the requirement of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:

- i. if the amount of permissible capital payment as stated in Annexure, has been properly determined considering the audited standalone financial statements as at 31st March, 2020 in accordance with Section 68(2)(c) of the Act and the proviso to Regulation 4(iv) of the Buyback Regulations;
  - ii. if the Board of Directors of the Company, in its meeting held on 21st September, 2020 has formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date; and
  - iii. Whether we are aware of anything to indicate that the opinion expressed by the board of directors of the Company in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we have issued an unmodified audit opinion dated 10th June, 2020. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. 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.

9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement :

- (i) We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the year ended 31st March, 2020;
- (ii) Examined authorization for buyback from the Articles of Association of the Company;
- (iii) Examined that the amount of permissible capital payment for the Buyback as detailed in Annexure is within permissible limit computed in accordance with section 68(2) of the Act based on the audited standalone financial statements for the year ended 31st March, 2020 of the Company;
- (iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after the Buyback based on the audited standalone financial statements of the Company as at and for the year ended 31st March, 2020;
- (v) Examined that all shares for buy-back are fully paid-up;
- (vi) Read the resolutions passed in the meetings of the board of directors of the Company. We have done no procedures as regard the projections as approved by the board of directors and accordingly do not certify the same;
- (vii) Read the director's declarations for the purpose of buy back and solvency of the Company; and
- (viii) Obtained necessary representations from the management of the Company.

OPINION

10. Based on enquiries conducted and our examination as above, we certify that :

a. The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68(2) read with proviso to Section 68(2)(b) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended 31st March, 2020; and

b. The Board of Directors of the Company, in their meeting held on 21st September, 2020 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the resolution of the board and we are not aware of anything to indicate that the opinion expressed by the directors of the Company in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

RESTRICTION ON USE

11. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the Buyback Regulations, (ii) to enable the board of directors of the Company to include in the public announcement and other documents pertaining to the Buyback to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the merchant banker appointed in connection with the Buyback, may not be suitable for any other purpose.

For LODHA & CO.  
Chartered Accountants  
ICAI Firm Registration Number : 301051E  
Sd/-  
Gaurav Lodha  
Partner  
Membership Number : 507462  
UDIN : 20507462AAAAATY5500

Place: New Delhi  
Date: 21st September, 2020

ANNEXURE	
STATEMENT OF PERMISSIBLE CAPITAL PAYMENT OF HSIL LIMITED	
Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2) of the Companies Act, 2013 ("Act") based on audited standalone financial statements as at and for the year ended March 31, 2020:	
	(Amount in Rs. Lakh)
Particulars	Standalone
Paid-up Equity Share Capital as at March 31, 2020 (A)	1445.97
Free Reserves as at March 31, 2020*	-
Retained Earnings	46632.25
Securities Premium Account	36812.98
General Reserve <sup>A</sup>	12454.56
Total Free Reserves <sup>B</sup>	95899.79
Total Paid-up Equity Share Capital and Free Reserves (A + B)	97345.76
Permissible capital payment in accordance with proviso to Section 68(2)(b) of the Act requiring Board Resolution (10% of total paid-up Equity Share capital and free reserves)	9734.57

\* Free reserves as defined in Section 2(43) read along with Explanation II provided in Section 68 of the Act,  
<sup>A</sup> Net of Revaluation Impact of Property, Plant & Equipment..

Unquote

Part B - Disclosures in accordance with Schedule IV of the Buyback Regulations

1 DATE OF BOARD APPROVAL FOR THE BUYBACK

The Buyback has been approved by the Board in the Board Meeting on 21st September, 2020. Further, since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68 (2) (b) of the Act, the approval from the shareholders of the Company is not required.

2 MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUYBACK

2.1. At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 66,66,667 i.e. the Maximum Buyback Shares. If the Equity Shares are bought back at a price below the Maximum Buyback Price the actual number of equity shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size.

2.2. Unless otherwise permitted under applicable law, the Company shall utilize at least 50% of the Maximum Buyback Size i.e. the Minimum Buyback Size towards the Buyback and accordingly, based on the Maximum Buyback Price and Minimum Buyback Size, the indicative minimum number of Equity Shares to be purchased by the Company is 33,33,333 Equity Shares.

2.3. The Buyback (including the Transaction Costs) will be funded out of the free reserves, securities premium account and/or such other sources as may be permitted by the Buyback Regulations and the Companies Act, and on such terms and conditions as the Board may deem fit. In terms of Section 69 of the Act, the Company shall transfer from its free reserves or securities premium account a sum equal to the face value of the equity shares bought back through the Buyback to the Capital Redemption Reserve Account, and the details of such transfer shall be disclosed in its subsequent audited financial statements.



3

PROPOSED TIMETABLE

Activity	Date
Date of Board Meeting and Board resolution approving Buyback	21st September, 2020
Date of publication of the Public Announcement	23rd September, 2020
Date of opening of the Buyback	30th September, 2020
Acceptance of Equity Shares (accepted only in dematerialised mode)	Upon the relevant pay-out by the Stock Exchanges
Extinguishment of Equity Shares	In case the dematerialised shares are bought back, the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations,2018,as amended and the bye-laws framed there-under.
Last date for the completion of the Buyback	Earlier of : a. 29th March, 2021 (i.e. six (6) months from the date of the commencement of the Buyback); or b. when the Company completes the Buyback by deploying the amount equivalent to the Maximum Buyback Size; or c. at such earlier date as may be determined by the Board or its Committee of Directors after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buyback Size has not been reached or the Maximum Buyback Shares have not been bought back), provided, that all payment obligations relating to the Buyback shall be completed before the last date for the Buyback

4

PROCESS AND METHODOLOGY FOR BUYBACK

4.1. The Buyback is open to all shareholders and beneficial owners holding dematerialized shares ("Demat Shares").Shareholders holding Equity Shares in physical form can participate in the Buy-back, only after such Equity Shares are dematerialized. However, as per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company.

4.2. Further, as required under the Act and Buyback Regulations, the Company will not buy back Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in, or until the time such Equity Shares become freely transferable, as applicable.

4.3. The Buyback will be implemented by the Company by way of open market purchases through the stock exchanges having nationwide terminals, by the order matching mechanism except "all or none" order matching system, as provided under the Buyback Regulations.

4.4. For the implementation of the Buyback, the Company has appointed M/s. Vardhaman Capital Private Limited as its broker ("**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

VARDHAMAN CAPITAL PRIVATE LIMITED

CIN: U67120WB1995PTC068108

Address: 25, Swallow Lane,Wardley House, 2nd Floor,Kolkata-700001.Tel: + 91 33 68202020 / 9830042262

Contact Person: Mr.Anup Kumar Khandelwal / Mr.Suresh Chandra Khunteta

Email: info@vardhamancapital.net ,Website : www.vardhamancapital.co.in

SEBI Registration Number: INZ000204533 For NSE CM+FAO+BSE CM

4.5. The Equity Shares are traded under the symbol code: HSIL at NSE and scrip code: 500187 at BSE. The ISIN of the Equity Shares of the Company is INE415A01038.

4.6. The Company, shall, commencing from 30th September, 2020 (i.e. the date of commencement of the Buyback), place "buy" orders on the Stock Exchanges on the normal trading segment to Buyback the Equity Shares through the Company's Broker, in such quantity and at such price, not exceeding the Maximum Buyback Price of Rs. 105 per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buyback of Equity Shares, the identity of the Company as purchaser shall be available to the market participants of the Stock Exchanges.

4.7. Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buyback, would have to do so through their stock broker, who is a registered member of the Stock Exchanges by indicating to their broker the details of the Equity Shares they intend to sell whenever the Company has placed a "buy" order for Buyback of the Equity Shares.The Company shall place a "buy" order for Buyback of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the beneficial owners and that price would be the Buyback price for that beneficial owner. The execution of the order and issuance of contract note would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchanges and SEBI. Orders for Equity Shares can be placed on the trading days of the Stock Exchanges. The Company is under no obligation to place "buy" order on a daily basis. The orders for buying back the Equity Shares will be placed on normal trading segment of Stock Exchanges at least once a week.

4.8. It may be noted that a uniform price would not be paid to all the shareholders/beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that particular shareholder/beneficial owner was executed.

4.9. Shareholders are requested to get in touch with M/s. Finshore Management Services Limited ("**Merchant Banker**") or the Company's Broker or the Registrar of the Company to clarify any doubts in the process.

4.10. Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buyback Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any additional Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buyback Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buyback, to the extent permissible by law. The Company is under no obligation to utilize the entire amount of Maximum Buyback Size or buy all the Maximum Buyback Shares. However, if the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the escrow account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Education and Protection Fund of Securities and Exchange Board of India or as directed by SEBI in accordance with the Buyback Regulations.

4.11. The Company shall submit the information regarding the Equity Shares bought back by it to the Stock Exchanges on a daily basis in accordance with the Buyback Regulations. The Company shall also upload the information regarding the Equity Shares bought back by it on its website (www.hsigrp.com) on a daily basis.

4.12. Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, public shareholders desirous of tendering their Equity Shares held in physical form can do so only after the Equity Shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

**ACCORDINGLY, ALL SHAREHOLDERS OF THE COMPANY HOLDING EQUITY SHARES IN PHYSICAL FORM AND DESIROUS OF PARTICIPATING IN THE BUY-BACK ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED. INCASE ANY ELIGIBLE SHAREHOLDER HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALIZATION, SUCH ELIGIBLE SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF DEMATERIALIZATION IS COMPLETED WELL IN TIME SO THAT THEY CAN PARTICIPATE IN THE BUYBACK BEFORE THE CLOSURE OF BUY-BACK.**

5

METHOD OF SETTLEMENT

5.1. **Settlement of Demat Shares:** The Company will pay consideration for the Buyback to the Company's Broker on or before every pay-in date for each settlement, as applicable to the Stock Exchanges where the transaction is executed. The equity shares bought back in demat form would be transferred directly to the demat account of the Company designated for the buyback ("**Buyback Demat Account**"). Demat shares bought back by the Company will be transferred into the Buyback Demat Account by the Company's Broker, on receipt of such Demat Shares and after completion of the clearing and settlements obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buyback, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective Depository Participant ("**DP**") for debiting their beneficiary account maintained with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions. The beneficial owners would also be required to provide to the Company's broker or the Registrar to the Buyback, copies of all statutory consents and approvals required to be obtained by them for the transfer of their Equity Shares to the Company as applicable.

5.2. **Extinguishment of Demat Shares:** The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 2018,as amended and bye-laws framed there-under,in the manner specified in the Buyback Regulations and the Act. The Equity Shares lying in credit in the Buyback Demat Account will be extinguished within 15 (fifteen) days of acceptance of the Demat Shares, provided that the Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within 7 (seven) days of the expiry of the Buyback Period.

6

BRIEF INFORMATION ABOUT THE COMPANY

a) History of the Company

The Company was set up in 1960 as Hindustan Twyford's Ltd, with a technical collaboration with Twyford's UK, to introduce vitreous china sanitary ware in India. Subsequently it was renamed as Hindustan Sanitaryware and Industries Limited in 1969 and HSIL Limited in 2009. The Registered Office of the Company is situated at 2, Red Cross Place, Kolkata-700001 and the Corporate Office of the Company is situated at 301-302,III Floor, Park Centra, Sector 30, N.H. 8, Gurugram, Haryana 122 001. The Company commenced its business with Building Products Division and gradually entered into various business segments namely: Packaging Products Division, Consumer Products Division and Retail Division. The Hon'ble Kolkata Bench of National Company Law Tribunal vide its order dated 26th June, 2019 approved the Composite Scheme of Arrangement (Demerger) and accordingly, the Marketing and Distribution of Consumer Products and Retail Divisions of the Company have been demerged to Somany Home Innovation Limited (SHIL) and the Marketing and Distribution of Building Products have been demerged and vested to Brillocca Limited, a wholly-owned subsidiary of SHIL. The said Scheme was made effective from the Appointed Date i.e. 1st April, 2018.The Pre Scheme and Post Scheme Financial Information is mentioned in point no.7 herein below.

b) Business Overview

Subsequent to the Demerger, the Company has following business Divisions:

i). Packaging Products Division

The Company manufactures and markets various packaging products, including glass containers and PET bottles and products and security caps and closures. These products cater to various industries like alcoholic and non-alcoholic beverages,FMCG, retail pharmaceuticals and edible oil amongst other.

The Company has two glass container plants in Telangana, three PET bottles plants at Dharwad in Karnataka,Selaqui in Uttarakhand and Insapur in Telangana and one caps and closures plant in Telangana.

Building Products Division

It primarily comprises the manufacturing of sanitaryware and faucets and plastic pipes and fittings.

The Company has (a) two sanitaryware plants i.e., at Bahadurgarh in Haryana and Babinagar in Telangana,(b) two faucet plants at Kahanani and Bhiwadi in Rajasthan and (c) one plastic pipes and fittings plant at Sangareddy in Telangana.

7 FINANCIAL INFORMATION ABOUT THE COMPANY

The financial information on the basis of standalone financial statements of the Company for the three months ended 30th June,2020 and the last three financial years ended 31st March, 2020, 31st March, 2019 and 31st March, 2018 is provided hereunder :

Particulars	(in Rs. Lakh)				
	As at /For the period ended on^	As at / For the year ended on ^^			
	30th June 2020 (Post Scheme) (Ind AS)	31st March, 2020 (Post Scheme) (Ind AS)	31st March, 2019 (Post Scheme) (Ind AS)	31st March, 2019 (Pre Scheme) (Ind AS)	31st March, 2018 (Pre Scheme) (Ind AS)
Revenue from operations	25,155.53	1,85,907.03	1,60,476.38	2,70,964.77	2,28,451.27
Other Income	393.65	2,030.07	3,918.62	2,989.41	971.32
<b>Total Income</b>	<b>25,549.18</b>	<b>1,87,937.10</b>	<b>1,64,395.00</b>	<b>2,73,954.18</b>	<b>2,29,422.59</b>
Expenses (excluding Finance Cost, Depreciation & Amortisation and Exceptional Items)	22,707.58	1,58,801.91	1,43,127.66	2,39,345.73	2,01,212.36
Finance Cost/ Interest	1,922.84	7,347.63	5,897.59	8,748.18	5,575.92
Depreciation & Amortisation	3,548.73	14,287.64	13,130.72	15,097.59	11,403.99
Profit before exceptional item and tax	<b>-2,629.97</b>	<b>7,499.92</b>	<b>2,239.03</b>	<b>10,762.68</b>	<b>11,230.32</b>
Exceptional Item	-	-	-	-	-654.15
<b>Profit Before Tax</b>	<b>-2,629.97</b>	<b>7,499.92</b>	<b>2,239.03</b>	<b>10,762.68</b>	<b>10,576.17</b>
Tax expense	-894.57	2,658.31	712.00	3,715.97	3,100.09
Net Profit after tax for the period	<b>-1,735.40</b>	<b>4,841.61</b>	<b>1,527.03</b>	<b>7,046.71</b>	<b>7,476.08</b>
Other Comprehensive Income	-15.18	-748.63	-867.89	-814.49	138.56
Total Comprehensive Income	<b>-1,750.58</b>	<b>4,092.98</b>	<b>659.14</b>	<b>6,232.22</b>	<b>7,614.64</b>
Paid-up Equity Share capital	1,445.97	1,445.97	1,445.97	1,445.97	1,445.97
Free Reserves including Securities Premium Account (excluding impact of fair valuation on fixed assets)	94,164.39	95,899.79	93,673.58	1,19,444.58	1,15,884.17
Net Worth	<b>95,610.36</b>	<b>97,345.76</b>	<b>95,119.55</b>	<b>1,20,890.55</b>	<b>1,17,330.14</b>
Total Debt	99,570.84	1,00,628.23	88,845.92	1,19,099.93	1,24,543.42

^Source: Limited review Unaudited standalone financial results of the Company for the three months period ended 30th June,2020

^^Source: Audited standalone financial statements of the Company for the respective financial years

Key Ratios:

Particulars	As at /For the period ended on^	As at / For the year ended on			
	30th June 2020 (Post Scheme) (Ind AS)	31st March, 2020 (Post Scheme) (Ind AS)	31st March, 2019 (Post Scheme) (Ind AS)	31st March, 2019 (Pre Scheme) (Ind AS)	31st March, 2018 (Pre Scheme) (Ind AS)
Basic Earnings per Equity Share (Rs.)	-2.40	6.69	2.11	9.74	10.34
Diluted Earnings per Equity Share (Rs.)	-2.40	6.69	2.11	9.74	10.34
Debt / Equity Ratio	1.04	1.03	0.93	0.99	1.06
Book Value per Equity Share (Rs.)	132.25	134.65	131.57	167.22	162.29
Return on Net Worth (%)	-1.82	4.97	1.61	5.83	6.37

^ Not annualized for the three months period ended on 30th June 2020

The Key ratios are computed as below :-

Key Ratios	Basis of calculation
Basic Earnings per Equity Share	Net Profit attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the year/period
Diluted Earnings per Equity Share	Net Profit attributable to equity shareholders/Weighted average number of shares outstanding during the year /period, adjusted with dilutive potential ordinary shares
Debt-Equity Ratio	Total Debt / Net Worth
Book Value per Equity Share	(Paid-up Equity Share capital+Free Reserves and Surplus) / Number of Equity Shares outstanding at year/ period end
Return on Net Worth	Net Profit After Tax / Net Worth excluding revaluation reserves

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DETAILS OF ESCROW ACCOUNT

8.1. In accordance with Regulation 20 of the Buyback Regulations and towards security for performance of its obligations under the Buyback Regulations, the Company has entered into an escrow agreement dated 21st September, 2020 ("**Escrow Agreement**") with the Merchant Banker and Axis Bank Limited ("**Escrow Bank**") pursuant to which the Company has opened an escrow account titled "**HSIL LIMITED- BUYBACK-ESCROW ACCOUNT (the "Escrow Account")**". The Company has authorized the Merchant Banker to operate the Escrow Account in compliance with the Buyback Regulations and the Escrow Agreement.

8.2. The Company will deposit in the Escrow Account cash aggregating to Rs. 17,50,00,000 (Rupees Seventeen Crores Fifty Lakhs Only), being 25% of the Maximum Buyback Size ("**Cash Escrow**") in accordance with the Buyback Regulations, before opening of the Buyback.

8.3. The funds in the Escrow Account may be released for making payment to the shareholders subject to at least 2.5% of the Maximum Buyback

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Size remaining in the Escrow Account at all points in time.

8.4. If the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the Escrow Account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Education and Protection Fund of Securities and Exchange Board of India or as directed by SEBI in accordance with the Buyback Regulations.

8.5. The Cash Escrow will be released in accordance with the Buyback Regulations.

9

LISTING DETAILS AND STOCK MARKET DATA

9.1. The Equity Shares of the Company are listed on BSE and NSE.

9.2. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six (6) months preceding the date of the Public Announcement from and the corresponding volumes on the BSE and NSE is as follows:

NSE

Period	High (Rs.)	High No.of Equity Shares Traded	Date of High	Low (Rs.)	Low No.of Equity Shares Traded	Date of Low	Average (Rs.)	No.of Equity Shares Traded
Fiscal 2018	530.9	259072	19-12-2017	330.75	115764	18-05-2017	409.16	24939741
Fiscal 2019	405.8	78105	10-04-2018	193.2	54548	11-12-2018	289.78	25299841
Fiscal 2020	296.7	121710	28-05-2019	35.45	85461	24-03-2020	128.94	54992060
Fiscal 2020	296	223030	27-05-2019	-	-	-	-	-

Source: www.nseindia.com

Note: High, Low and Average price for the period are based on closing prices.

BSE

Period	High (Rs.)	High No.of Equity Shares Traded	Date of High	Low (Rs.)	Low No.of Equity Shares Traded	Date of Low	Average (Rs.)	No.of Equity Shares Traded
Fiscal 2018	532.05	31615	19-12-2017	330.65	11870	18-05-2017	408.89	4194168
Fiscal 2019	403.9	3411	10-04-2018	193.35	6517	11-12-2018	289.91	3544132
Fiscal 2020	297.05	14279	28-05-2019	35.5	9394	24-03-2020	125.92	6911539

Source: www.bseindia.com

Note: High, Low and Average price for the period are based on closing prices.

NSE

Period	High (Rs.)	High No.of Equity Shares Traded	Date of High	Low (Rs.)	Low No.of Equity Shares Traded	Date of Low	Average (Rs.)	No.of Equity Shares Traded
Mar-20	52.55	102444	05-03-2020	35.45	85461	24-03-2020	45.32	4352903
Apr-20	54.9	2613777	20-04-2020	41.65	138667	01-04-2020	49.15	5421907
May-20	51.00	266575	15-05-2020	47.7	49600	27-05-2020	49.08	1403823
Jun-20	54.05	1160357	29-06-2020	48.25	319640	17-06-2020	51.63	11932900
Jul-20	58.6	1627718	27-07-2020	51.6	131354	03-07-2020	54.7	11827259
Aug-20	66.4	349636	27-08-2020	54.10	108940	03-08-2020	60.90	10034531

Source: www.nseindia.com

Note: High, Low and Average price for the period are based on closing prices.

9

PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

10.1. The capital structure of the Company as on the date of this Public Announcement, i.e.,22nd September,2020,and the indicative capital structure of the Company post the completion of the Buyback is set forth below :

Particulars	NSE (Rs.)	BSE (Rs.)
Notice of the Board Meeting convened to consider the proposal of the Buyback 16th September, 2020	67.85	67.85
1 Trading Day Prior to Notice of Board Meeting 17th September,2020	73.05	72.95
1 Trading Day Post-Board Meeting 18th September,2020	73.55	73.40
Board Meeting Date 21st September,2020	70.75	71.40
1 Trading Day Post-Board Meeting 22nd September,2020	77.85	77.80

Source: www.nseindia.com and www.bseindia.com

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PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

10.1. The capital structure of the Company as on the date of this Public Announcement, i.e.,22nd September,2020,and the indicative capital structure of the Company post the completion of the Buyback is set forth below :

Particulars	(As on the date of this Public Announcement) (In Rs.)	(Post completion of the Buyback)* (In Rs.)
Authorised share capital:11,12,50,000 Equity Shares of Rs.2/- each	22,25,00,000	22,25,00,000
Issued share capital 7,23,02,220 Equity Shares of Rs.2/-each	14,46,00,440	13,12,67,107
Subscribed and fully paid up Capital 7,22,96,395 Equity Shares of Rs.2/-each	14,45,92,790	13,12,59,457

\*Note: Assuming that the indicative Maximum Buyback Shares are bought back. However, the post Buyback issued, subscribed and paid up capital may differ depending upon the actual number of Equity Shares bought back.

10.2.As on the date of this Public Announcement, there are no Equity Shares which are partly paid-up, or with call in-arrears and there are no outstanding instruments convertible into Equity Shares.

10.3.The shareholding pattern of the Company as on 21st September, 2020 (pre-Buyback) and the proposed share holding pattern of the Company post the completion of the Buyback is given below :

Shareholder	Pre-Buyback		Post Buyback #	
	No.of Equity Shares	%of Equity Shares	No.of Equity Shares	%of Equity Shares
(A) Promoter & Promoter Group	3,89,72,819	53.91	3,89,72,819	59.38
(B) Public	3,33,23,576	46.09	2,66,56,909	40.62
(C1) Shares underlying DRs	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-
(C) Non-Promoter -Non-Public	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>7,22,96,395</b>	<b>100.00</b>	<b>6,56,29,728</b>	<b>100.00</b>

# Assuming the Company buys back the Maximum Buyback Shares. However, the shareholding post completion of the Buyback may differ depending upon the actual number of Equity Shares bought back in the Buyback.

10.4.As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company. Further, as per Regulation 24(i)(e) of the Buyback Regulations, the promoter and members of the promoter group of the Company and their associates have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and members of the promoter group of the Company) from the date of the Board Meeting till the date of the Public Announcement and shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoters and members of the promoter group of the Company) from the date of the Public Announcement till the completion of the Buyback.

10.5.For the aggregate shareholding of the promoter and members of the promoter group of the Company as on the date of the Board Meeting i.e. 21st September, 2020, please refer to Paragraph 6.1 of Part A. For the details of the transactions undertaken by the promoter and members of the promoter group of the Company, please refer to Paragraph 6.2 of Part A.

10.6.While the promoter and members of the promoter group of the Company are not eligible to participate in the Buyback, depending on the number of Equity Shares bought back by the Company, their effective shareholding percentage in the Company, will increase consequent to the buyback. Any increase in the percentage holding/voting rights of the promoter and members of the promoter group is not an active acquisition and is incidental to the Buyback. Assuming the Company buys back the Maximum Buyback shares,the aggregate shareholding of the Promoter and Promoter Group,post Buyback will increase to 59.38% of the post Buyback Equity Share Capital of the Company.The Promoter and Promoter Group of the Company are already in control over the Company and therefore such further increase in voting rights of the Promoter and Promoter Group will not result in any change in control over the Company.Further,the Promoter and Promoter Group have not voted in favour of the Board Resolution authorizing the Buyback under sections 68, 69 and 70 of the Act. Therefore, in terms of regulation 10.4(c) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended ("SEBI Takeover Regulations"),despite the increase in voting rights of the Promoter and Promoter Group from 53.91% to 59.38%, the Promoter and Promoter Group are exempted from an obligation to make an open offer under the SEBI Takeover Regulations.

11

MANAGEMENT DISCUSSION AND ANALYSIS ON THE LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

11.1. The Buyback is expected to achieve the objective of returning surplus funds to the shareholders, optimizing the capital structure, improving return on equity through distribution of surplus funds, improving earnings per share by reduction in equity base and increasing shareholders' value in the long term. The Buyback is not likely to cause any material impact on the profitability / earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback. The Buyback may lead to reduction in outstanding Equity Shares, improvement in 'Earnings Per Share' and enhanced return on equity, assuming that the Company would earn similar profits as in the past.

11.2.The amount required by the Company for the Buyback (including the Transaction Costs) will be funded out of the securities premium account, free reserves and/or such other sources as may be permitted by the Buyback Regulations and the Companies Act, 2013 and on such terms and conditions as the Board may deem fit.

11.3





# HSIL LIMITED

CIN - L51433WB1960PLC024539

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Registered Office : 2, Red Cross Place, Kolkata - 700 001, West Bengal | Tel: + 91-33-22487407 / 5668

Email : hsilinvestors@hsilgroup.com, Website : www.hsilgroup.com

## PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF HSIL LIMITED FOR THE BUYBACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGES UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This public announcement ("Public Announcement") is being made pursuant to the provisions of Regulation 16 (iv) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments thereto from time to time ("Buyback Regulations") and contains the disclosures as specified in Schedule IV to the Buyback Regulations read with Schedule I of the Buyback Regulations.

### OFFER TO BUYBACK EQUITY SHARES OF HSIL LIMITED ("COMPANY") OF FACE VALUE OF Rs.2/- (RUPEES TWO ONLY) EACH ("EQUITY SHARES") FROM THE OPEN MARKET THROUGH STOCK EXCHANGES.

#### Part A - Disclosures in accordance with Schedule I of the Buyback Regulations

##### 1 DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1. Pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act" or the "Act") the Companies (Share Capital and Debentures) Rules, 2014 ("Share Capital Rules"), the Companies (Management and Administration) Rules, 2014 ("Management Rules"), and the provisions of the Buyback Regulations, Articles of Association of the Company and pursuant to the resolutions passed by the board of directors of the Company (the Board of Directors of the Company are hereinafter referred to as the "Board" or the "Board of Directors") at its meeting held on 21st September, 2020 ("Board Meeting"), the Board approved the buyback of the Company's fully paid-up equity shares of the face value of Rs.2/- (Rupees Two only) each ("Equity Shares") from its shareholders/beneficial owners excluding promoters, promoter group and persons who are in control of the Company, via the 'open market' route through the stock exchanges, for a total amount not exceeding Rs.70,00,00,000 (Rupees Seventy Crores only) ("Maximum Buyback Size") and at a price not exceeding Rs.105 (Rupees One Hundred Five) per Equity Share ("Maximum Buyback Price"), payable in cash (the process being referred hereinafter as "Buyback"). The Maximum Buyback Size shall not include any expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors' fees, stock exchange fees, brokerage buy back tax, applicable taxes including inter alia securities transaction tax, goods and services tax, stamp duty etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses ("Transaction Costs").

1.2. The Maximum Buyback Size represents 7.19% of the aggregate of the total paid-up Equity Share capital and free reserves (which includes the securities premium account) of the Company based on the standalone audited financial statements of the Company as on 31st March, 2020 (being the latest available audited standalone financial statements of the Company). Further, since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68 (2)(b) of the Act, the approval of the shareholders of the Company is not required.

1.3. At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 66,66,667 ("Maximum Buyback Shares") which is 9.22% of the total number of paid-up Equity Shares of the Company. If the equity shares are bought back at a price below the Maximum Buyback Price, the actual number of equity shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 25% of the total number of Equity Shares forming part of the paid up equity share capital of the Company. The Company will comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid-up equity share capital of the Company as provided under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Buy-back Period and upon completion thereof.

1.4. Unless otherwise permitted under applicable law, the Company shall utilize at least 50% of the Maximum Buyback Size i.e., Rs. 35,00,00,000 (Rupees Thirty Five Crores) ("Minimum Buyback Size") towards the Buyback and accordingly, based on the Maximum Buyback Price and Minimum Buyback Size, the Company will purchase an indicative minimum number of 33,33,333 (Thirty Three Lakhs Thirty Three Thousand Three Hundred Thirty Three) Equity Shares.

1.5. The Board (or the existing committee of directors empowered by the Board to exercise its powers in relation to the Buyback, i.e., its Committee of Directors), shall determine, at its discretion, the time frame for completion of the Buyback and may close the Buyback (which shall not be longer than six (6) months from the date of commencement of the Buyback or such other period as may be permitted under the Act and/or Buyback Regulations or as may be directed by the appropriate authorities) after the Minimum Buyback Size has been reached, and irrespective of whether the Maximum Buyback Size has or has not been reached, after giving appropriate notice for such closure and on completing all formalities in this regard, in accordance with the Act and / or Buyback Regulations.

1.6. The Buyback (including Transaction Costs) will be implemented by the Company out of its securities premium account, free reserves and / or such other source as may be permitted under Section 68(1) of the Act and Regulation 4(x) of the Buyback Regulations and shall be from the open market purchases through the stock exchanges by the order matching mechanism except 'all or none' order matching system, as provided under the Buyback Regulations.

1.7. The Buyback is subject to receipt of such sanctions and approvals from statutory, regulatory or governmental authorities, as may be required under applicable laws, including the Reserve Bank of India, the Securities and Exchange Board of India ("SEBI") and the stock exchanges on which the Equity Shares are listed, namely, National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (hereinafter together referred to as the "Stock Exchanges").

1.8. This Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and members of foreign nationality, if any, etc, is subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed there-under, if any, and such approvals shall be required to be taken by such non-resident members.

1.9. A copy of this Public Announcement is available on the website of the Company at www.hsilgroup.com, and is expected to be available on the website of SEBI i.e. www.sebi.gov.in during the period of the Buyback and on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com, respectively.

##### 2 NECESSITY FOR THE BUYBACK

Buyback is the process of acquisition by the Company of its own Equity Shares. The Buyback is expected to achieve the objective of returning surplus funds to the shareholders, optimizing the capital structure, improving return on equity through distribution of surplus funds, improving earnings per share by reduction in equity base and increasing shareholders' value in the long term. The Buyback is not likely to cause any material impact on the profitability/earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback. The Buyback may lead to reduction in outstanding Equity Shares, improvement in 'earnings per share' and enhanced return on equity, assuming that the Company would earn similar profits as in the past.

##### 3 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES & BASIS OF ARRIVING AT THE BUYBACK PRICE

3.1. The Maximum Buyback Price of Rs. 105 per Equity Share has been arrived at after considering various factors, including trends in the market price of the Equity Shares on the Stock Exchanges, the net worth of the Company and the potential impact of the Buyback on the earnings per share and other similar ratios of the Company.

3.2. The Maximum Buyback Price of Rs.105 per Equity Share represents: (i) a premium of 82.72% and 82.10% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback i.e. 16th September, 2020; (ii) a premium of 67.27% and 65.88% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for two (2) weeks preceding the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback i.e. 16th September, 2020; and (iii) a premium of 43.05% and 42.76% over the closing market price of the Equity Shares as on the trading day prior to the date of the Board Meeting i.e. 21st September, 2020 on BSE and NSE respectively. The closing market price of the Equity Shares as on the date of Board Meeting i.e. 21st September, 2020, was Rs.71.40 and Rs.70.75 on BSE and NSE, respectively.

3.3. The actual number of Equity Shares bought back will depend upon the actual price paid for the Buyback, excluding the Transaction Costs paid for the Equity Shares bought back, and the aggregate amount paid in the Buyback, subject to the Maximum Buyback Size. The actual reduction in outstanding number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buyback period.

##### 4 MAXIMUM AMOUNT, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES & SOURCES OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED

The Maximum Buyback Size of Rs. 70,00,00,000 (Rupees Seventy Crores only) (excluding Transaction Costs) is 7.19% of the aggregate of the fully paid up equity share capital and free reserves (which includes the securities premium account) as per the last audited standalone financial statements of the Company, as at 31st March,

2020. The Buyback (including the Transaction Costs) would be financed out of free reserves (which includes the securities premium account) of the Company and / or such other sources as may be permitted by the Buyback Regulations and the Companies Act, and on such terms and conditions as the Board may deem fit. The Company shall transfer from its free reserves (which includes the securities premium account) a sum equal to the face value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

##### 5 MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUYBACK

5.1. At the Maximum Buyback Price and for Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 66,66,667 (Sixty Six Lakhs Sixty Six Thousand Six hundred Sixty Seven) which is 9.22% of the total number of paid-up Equity Shares of the Company.

5.2. If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 25% of the total paid up Equity Share capital of the Company as at 31st March, 2020.

##### 6 DETAILS OF SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP OF THE COMPANY AND OTHER DETAILS

6.1. The aggregate shareholding of the (i) promoter and members of the promoter group of the Company who are in control of the Company, (ii) directors of the promoter and corporate members of the promoter group of the Company, and (iii) directors and key managerial personnel of the Company as on the date of the Board Meeting i.e. 21st September, 2020, is as follows:

Sl. No.	Name	No. of Equity Shares held	% of Equity Shareholding in the Company
<b>(i) Shareholding of Promoter and Members of the Promoter Group in the Company</b>			
1.	Dr.Rajendra Kumar Somany	3410000	4.72
2.	Mr.Sandip Somany	2187731	3.03
3.	Ms.Sumita Somany	161000	0.22
4.	Ms.Divya Somany	146912	0.20
5.	Sandip Somany HUF	95832	0.13
6.	Mr.Shashvat Somany	76244	0.11
7.	Somany Impresa Limited	32895000	45.50
8.	Matterhorn Trust	100	Negligible
<b>Total Shareholding of Promoter and Members of the Promoter Group (A)</b>		<b>38972819</b>	<b>53.91</b>
<b>(ii) Shareholding of Directors of Somany Impresa Limited in the Company</b>			
1.	Dr.Rajendra Kumar Somany*	-	-
2.	Mr.Sandip Somany*	-	-
3.	Ms.Sumita Somany*	-	-
4.	Mr.Girdhari Lal Sultania	50705	0.07
5.	Mr.Niranjan Kumar Goenka	-	-
6.	Mr.Basant Kumar Periwal	-	-
7.	Mr.Rohit Kumar Somany	-	-
<b>Total (B)</b>		<b>50705</b>	<b>0.07</b>
<b>(iii) Shareholding of Directors of the Company</b>			
1.	Dr.Rajendra Kumar Somany* Chairman and Managing Director	*	*
2.	Mr.Sandip Somany* Vice Chairman and Managing Director	*	*
3.	Ms.Sumita Somany* Non-executive Non-independent Director	*	*
4.	Mr.Girdhari Lal Sultania# Non-executive Non-independent Director	#	#
5.	Mr.Vijay Kumar Bhandari Independent Director	-	-
6.	Mr.Nand Gopal Khaitan Independent Director	132	Negligible
7.	Mr.Anil Wadhwa Independent Director	-	-
8.	Mr.Rakesh Sarin Independent Director	-	-
9.	Ms.Himalyani Gupta Independent Director	-	-
<b>Total (C)</b>		<b>132</b>	<b>Negligible</b>
<b>(iv) Shareholding of Key Managerial Personnel of the Company</b>			
1.	Mr. Om Prakash Pandey Chief Financial Officer	-	-
2.	Mr.Pulkit Bhasin Company Secretary	-	-
<b>Total (D)</b>		<b>-</b>	<b>-</b>
<b>Total (A+B+C+D)</b>		<b>39023656</b>	<b>53.98</b>

\* Please refer point (i) for shareholding.

# Please refer point (ii) for shareholding.

6.2. No Equity Shares or other specified securities of the Company have been purchased or sold by the (i) promoter and members of the promoter group of the Company, (ii) directors of the promoter and corporate members of the promoter group of the Company, and (iii) directors and key managerial personnel of the Company, on the stock exchanges or off market during a period of twelve (12) months preceding the date of the Public Announcement i.e. 22nd September, 2020 and the six (6) months preceding the date of the Board Meeting i.e. 21st September, 2020, except for the following:

Name	Aggregate No. of Equity Shares acquired / sold	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
Somany Impresa Limited (Formerly: Paco Exports Limited)	33,00,000	Market purchase	57.88	12/02/2020	48.90	07/02/2020
Sandip Somany	(95,832)	Inter-se transfer	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Sandip Somany HUF	95,832	Inter-se transfer	Not Applicable	Not Applicable	Not Applicable	Not Applicable

##### 7 NON - PARTICIPATION BY THE PROMOTER AND MEMBERS OF THE PROMOTER GROUP OF THE COMPANY IN THE BUYBACK

7.1. As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company.

7.2. Further, as per Regulation 24(i)(e) of the Buyback Regulations, the promoter and members of the promoter group of the Company, and their respective associates have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and the members of the promoter group of the Company) from the date of the Public Announcement till the completion of the Buyback.

##### 8 SUBSISTING DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

##### 9 CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT

9.1. All the Equity Shares of the Company are fully paid-up.

9.2. The Buyback period extends from 21st September, 2020, i.e., the date of the Board resolution authorising the Buyback to the date on

which the last payment of consideration for the Equity Shares bought back by the Company is made ("Buyback Period"). The Company is not permitted to raise further capital for such period following the date of expiry of the Buyback Period (except in discharge of its subsisting obligations) as specified in the Buyback Regulations, read with the relevant circulars issued by SEBI from time to time.

9.3. The Buyback shall open not later than seven (7) working days from the date of Public Announcement and shall close within a period of six (6) months from the date of opening of the Buyback.

9.4. The Company shall not issue any Equity Shares or other specified securities (including by way of bonus or convert any outstanding stock options/outstanding instruments into Equity Shares) during the Buyback Period.

9.5. The Company has not under taken a buyback of any of its securities during the period of one year immediately preceding the date of the Board Meeting i.e. 21st September, 2020 and shall not make any offer of buyback within a period of one year from the date of expiry of the Buyback Period.

9.6. The Company shall not buy back its shares from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or through private arrangement.

9.7. The Equity Shares bought back by the Company shall be compulsorily extinguished and destroyed in terms of the Buyback Regulations and will not be held for re-issue at a later date.

9.8. The funds borrowed from banks and financial institutions will not be used for the Buyback.

9.9. The Company will not issue the same kind of shares including allotment of new shares under clause (a) of sub-section (1) of section 62 of the Companies Act and other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

9.10. The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up share capital and free reserves after the Buyback as prescribed under Buyback Regulations, the Companies Act, the rules made there-under and other applicable laws.

9.11. The Company is not under taking the Buyback to delist its Equity Shares from the Stock Exchanges.

9.12. There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act as on date.

9.13. The Company shall not withdraw the Buyback after the date of this Public Announcement.

##### 10 CONFIRMATIONS FROM THE BOARD

The Board of Directors of the Company has confirmed during the Board Meeting on 21st September, 2020, that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

10.1. Immediately following the date of the Board Meeting approving the Buyback on 21st September, 2020, there will be no grounds on which the Company could be found unable to pay its debts;

10.2. As regards the Company's prospects for the year immediately following the date of the Board Meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and

10.3. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956, Companies Act, or the Insolvency and Bankruptcy Code, 2016 as applicable (including prospective and contingent liabilities).

##### 11 REPORT OF THE AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

The text of the report dated 21st September, 2020 received from Lodha & Co., Chartered Accountants, the statutory auditors of the Company, addressed to the Board of Directors is reproduced below :

#### Quote

##### REPORT OF THE AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

To,

The Board of Directors.

**HSIL Limited**

2, Red Cross Place,

Kolkata - 700 001

West Bengal

Dear Sir / Ma'am

**Sub: Statutory Auditor's Report in respect of the proposed buyback of equity shares by HSIL Limited (the "Company") in terms of Schedule IV read with Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 ("Buyback Regulations").**

1. This report is issued in accordance with the terms of our engagement letter dated 21st September, 2020.

2. The Board of Directors of the Company has approved a proposal for buyback of equity shares of the Company ("Equity Shares") at its meeting held on 21st September, 2020 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") and the Buyback Regulations. We have been requested by the management of the Company to perform a reasonable assurance engagement on the accompanying statement of permissible capital payment ("Annexure") as at 31st March, 2020 (hereinafter referred to as the "Statement"). This statement has been prepared by the management of the Company, which we have initiated for the purposes of identification only.

##### MANAGEMENT'S RESPONSIBILITY

3. The preparation of the Statement in accordance with Section 68(2) of the Companies Act, 2013 and the compliance with the Buyback Regulations, is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Board of Directors of the Company are responsible to make a full inquiry into the affairs of the Company and to form an opinion that the Company will be able to pay its debts from the date of the board meeting and will not be rendered insolvent within a period of one year from the date of meeting and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

##### AUDITOR'S RESPONSIBILITY

5. Pursuant to the requirement of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:

i. if the amount of permissible capital payment as stated in Annexure, has been properly determined considering the audited standalone financial statements as at 31st March, 2020 in accordance with Section 68(2)(c) of the Act and the proviso to Regulation 4(iv) of the Buyback Regulations;

ii. if the Board of Directors of the Company, in its meeting held on 21st September, 2020 has formed the opinion as specified in Clause (xi) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date; and

iii. Whether we are aware of anything to indicate that the opinion expressed by the board of directors of the Company in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we have issued an unmodified audit opinion dated 10th June, 2020. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement :

(i) We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the year ended 31st March, 2020;

(ii) Examined authorization for buyback from the Articles of Association of the Company;

(iii) Examined that the amount of permissible capital payment for the Buyback as detailed in Annexure is within permissible limit computed in accordance with section 68(2) of the Act based on the audited standalone financial statements for the year ended 31st March, 2020 of the Company;

(iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after the Buyback based on the audited standalone financial statements of the Company as at and for the year ended 31st March, 2020;

(v) Examined that all shares for buy-back are fully paid-up;

(vi) Read the resolutions passed in the meetings of the board of directors of the Company. We have done no procedures as regard the projections as approved by the board of directors and accordingly do not certify the same;

(vii) Read the director's declarations for the purpose of buy back and solvency of the Company; and

(viii) Obtained necessary representations from the management of the Company.

##### OPINION

10. Based on enquiries conducted and our examination as above, we certify that :

a. The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68(2) read with proviso to Section 68(2)(b) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended 31st March, 2020; and

b. The Board of Directors of the Company, in their meeting held on 21st September, 2020 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the resolution of the board and we are not aware of anything to indicate that the opinion expressed by the directors of the Company in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

##### RESTRICTION ON USE

11. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the Buyback Regulations, (ii) to enable the board of directors of the Company to include in the public announcement and other documents pertaining to the Buyback to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the merchant banker appointed in connection with the Buyback, may not be suitable for any other purpose.

For LODHA & CO.  
Chartered Accountants  
ICAI Firm Registration Number : 301051E

Sd/-  
**Gaurav Lodha**  
Partner

Membership Number : 507462  
UDIN : 20507462AAAATY5500

Place: New Delhi  
Date: 21st September, 2020

#### ANNEXURE

**STATEMENT OF PERMISSIBLE CAPITAL PAYMENT OF HSIL LIMITED**  
Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2) of the Companies Act, 2013 ("Act") based on audited standalone financial statements as at and for the year ended March 31, 2020:

Particulars	Standalone
Paid-up Equity Share Capital as at March 31, 2020 (A)	1445.97
Free Reserves as at March 31, 2020*	
Retained Earnings	46632.25
Securities Premium Account	36812.98
General Reserve*	12454.56
Total Free Reserves* (B)	95899.79
Total Paid-up Equity Share Capital and Free Reserves (A + B)	97345.76
Permissible capital payment in accordance with proviso to Section 68(2)(b) of the Act requiring Board Resolution (10% of total paid-up Equity Share capital and free reserves)	9734.57

\* Free reserves as defined in Section 2(43) read along with Explanation I provided in Section 68 of the Act.

^ Net of Revaluation impact of Property, Plant & Equipment...

#### Unquote

##### Part B - Disc



3 PROPOSED TIMETABLE	
Activity	Date
Date of Board Meeting and Board resolution approving Buyback	21st September, 2020
Date of publication of the Public Announcement	23rd September, 2020
Date of opening of the Buyback	30th September, 2020
Acceptance of Equity Shares (accepted only in dematerialised mode)	Upon the relevant pay-out by the Stock Exchanges
Extinguishment of Equity Shares	In case the dematerialised shares are bought back, the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended and the bye-laws framed there-under.
Last date for the completion of the Buyback	Earlier of : a. 29th March, 2021 (i.e. six (6) months from the date of the commencement of the Buyback); or b. when the Company completes the Buyback by deploying the amount equivalent to the Maximum Buyback Size; or c. at such earlier date as may be determined by the Board or its Committee of Directors after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buyback Size has not been reached or the Maximum Buyback Shares have not been bought back), provided, that all payment obligations relating to the Buyback shall be completed before the last date for the Buyback

#### 4 PROCESS AND METHODOLOGY FOR BUYBACK

- 4.1. The Buyback is open to all shareholders and beneficial owners holding dematerialized shares ("Demat Shares"). Shareholders holding Equity Shares in physical form can participate in the Buy-back, only after such Equity Shares are dematerialized. However, as per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company.
- 4.2. Further, as required under the Act and Buyback Regulations, the Company will not buy back Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in, or until the time such Equity Shares become freely transferable, as applicable.
- 4.3. The Buyback will be implemented by the Company by way of open market purchases through the stock exchanges having nationwide terminals, by the order matching mechanism except "all or none" order matching system, as provided under the Buyback Regulations.
- 4.4. For the implementation of the Buyback, the Company has appointed M/s. Vardhaman Capital Private Limited as its broker ("Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

<b>VARDHAMAN CAPITAL PRIVATE LIMITED</b> <b>CIN: U67120WB1995PTC068108</b> <b>Address:</b> 25, Swallow Lane, Wardley House, 2nd Floor, Kolkata-700001, Tel: + 91 33 68202020 / 9830042262 <b>Contact Person:</b> Mr. Anup Kumar Khandelwal / Mr. Suresh Chandra Khunteta <b>Email:</b> info@vardhamancapital.net <b>Website :</b> www.vardhamancapital.co.in <b>SEBI Registration Number:</b> INZ000204533 For NSE CM+FAO+BSE CM
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- 4.5. The Equity Shares are traded under the symbol code: HSIL at NSE and scrip code: 500187 at BSE. The ISIN of the Equity Shares of the Company is INE415A01038.
- 4.6. The Company, shall, commencing from 30th September, 2020 (i.e. the date of commencement of the Buyback), place "buy" orders on the Stock Exchanges on the normal trading segment to Buyback the Equity Shares through the Company's Broker, in such quantity and at such price, not exceeding the Maximum Buyback Price of Rs. 105 per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buyback of Equity Shares, the identity of the Company as purchaser shall be available to the market participants of the Stock Exchanges.
- 4.7. Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buyback, would have to do so through their stock broker, who is a registered member of the Stock Exchanges by indicating to their broker the details of the Equity Shares they intend to sell whenever the Company has placed a "buy" order for Buyback of the Equity Shares. The Company shall place a "buy" order for Buyback of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the beneficial owners and that price would be the Buyback price for that beneficial owner. The execution of the order and issuance of contract note would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchanges and SEBI. Orders for Equity Shares can be placed on the trading days of the Stock Exchanges. The Company is under no obligation to place "buy" order on a daily basis. The orders for buying back the Equity Shares will be placed on normal trading segment of Stock Exchanges at least once a week.
- 4.8. It may be noted that a uniform price would not be paid to all the shareholders/beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that particular shareholder/beneficial owner was executed.
- 4.9. Shareholders are requested to get in touch with M/s. Finshore Management Services Limited ("Merchant Banker") or the Company's Broker or the Registrar of the Company to clarify any doubts in the process.
- 4.10. Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buyback Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any additional Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buyback Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buyback, to the extent permissible by law. The Company is under no obligation to utilize the entire amount of Maximum Buyback Size or buy all the Maximum Buyback Shares. However, if the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the escrow account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Education and Protection Fund of Securities and Exchange Board of India or as directed by SEBI in accordance with the Buyback Regulations.

- 4.11. The Company shall submit the information regarding the Equity Shares bought back by it to the Stock Exchanges on a daily basis in accordance with the Buyback Regulations. The Company shall also upload the information regarding the Equity Shares bought back by it on its website (www.hsilgroup.com) on a daily basis.
- 4.12. **Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form:** As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, public shareholders desirous of tendering their Equity Shares held in physical form can do so only after the Equity Shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

**ACCORDINGLY, ALL SHAREHOLDERS OF THE COMPANY HOLDING EQUITY SHARES IN PHYSICAL FORM AND DESIROUS OF PARTICIPATING IN THE BUY-BACK ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED. INCASE ANY ELIGIBLE SHAREHOLDER HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALIZATION, SUCH ELIGIBLE SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF DEMATERIALIZATION IS COMPLETED WELL IN TIME SO THAT THEY CAN PARTICIPATE IN THE BUYBACK BEFORE THE CLOSURE OF BUY-BACK.**

#### 5 METHOD OF SETTLEMENT

- 5.1. **Settlement of Demat Shares:** The Company will pay consideration for the Buyback to the Company's Broker on or before every pay-in date for each settlement, as applicable to the Stock Exchanges where the transaction is executed. The equity shares bought back in demat form would be transferred directly to the demat account of the Company designated for the buyback ("Buyback Demat Account"). Demat shares bought back by the Company will be transferred into the Buyback Demat Account by the Company's Broker, on receipt of such Demat Shares and after completion of the clearing and settlement obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buyback, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective Depository Participant ("DP") for debiting their beneficiary account maintained with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions. The beneficial owners would also be required to provide to the Company's broker or the Registrar to the Buyback, copies of all statutory consents and approvals required to be obtained by them for the transfer of their Equity Shares to the Company, as applicable.
- 5.2. **Extinguishment of Demat Shares:** The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 2018, as amended and bye-laws framed there-under in the manner specified in the Buyback Regulations and the Act. The Equity Shares lying in credit in the Buyback Demat Account will be extinguished within 15 (fifteen) days of acceptance of the Demat Shares, provided that the Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within 7 (seven) days of the expiry of the Buyback Period.

#### 6 BRIEF INFORMATION ABOUT THE COMPANY

##### a) History of the Company

The Company was set up in 1960 as Hindustan Twyford's Ltd., with a technical collaboration with Twyford's UK, to introduce vitreous china sanitary ware in India. Subsequently it was renamed as Hindustan Sanitaryware and Industries Limited in 1969 and HSIL Limited in 2009. The Registered Office of the Company is situated at 2, Red Cross Place, Kolkata-700001 and the Corporate Office of the Company is situated at 301-302, III Floor, Park Centre, Sector 30, N.H. 8, Gurugram, Haryana 122 001. The Company commenced its business with Building Products Division and gradually entered into various business segments namely: Packaging Products Division, Consumer Products Division and Retail Division. The Hon'ble Kolkata Bench of National Company Law Tribunal vide its order dated 26th June, 2019 approved the Composite Scheme of Arrangement (Demerger) and accordingly, the Marketing and Distribution of Consumer Products and Retail Divisions of the Company have been demerged to Somany Home Innovation Limited (SHIL) and the Marketing and Distribution of Building Products have been demerged and vested to Brillocca Limited, a wholly-owned subsidiary of SHIL. The said Scheme was made effective from the Appointed Date i.e. 1st April, 2018. The Pre Scheme and Post Scheme Financial Information is mentioned in point no.7 herein below.

##### b) Business Overview

Subsequent to the Demerger, the Company has following business Divisions:

- i). Packaging Products Division  
The Company manufactures and markets various packaging products, including glass containers and PET bottles and products and security caps and closures. These products cater to various industries like alcoholic and non-alcoholic beverages, FMCG, retail pharmaceuticals and edible oil amongst other.  
The Company has two glass container plants in Telangana, three PET bottles plants at Dharwad in Karnataka, Selaqui in Uttarakhand and Isnapur in Telangana and one caps and closures plant in Telangana.
- ii). Building Products Division  
The Company primarily comprises the manufacturing of sanitaryware and faucets and plastic pipes and fittings.  
The Company has (a) two sanitaryware plants i.e., at Bahadurgarh in Haryana and Bilibangan in Telangana, (b) two faucet plants at Kaharani and Bhiwadi in Rajasthan and (c) one plastic pipes and fittings plant at Sangareddy in Telangana.

#### 7 FINANCIAL INFORMATION ABOUT THE COMPANY

The financial information on the basis of standalone financial statements of the Company for the three months ended 30th June, 2020 and the last three financial years ended 31st March, 2020, 31st March, 2019 and 31st March, 2018 is provided hereunder :

Particulars	(In Rs. Lakh)				
	As at /For the period ended on <sup>a</sup>	As at / For the year ended on <sup>aa</sup>			
	30th June 2020 (Post Scheme) (Ind AS)	31st March, 2020 (Post Scheme) (Ind AS)	31st March, 2019 (Post Scheme) (Ind AS)	31st March, 2019 (Pre Scheme) (Ind AS)	31st March, 2018 (Pre Scheme) (Ind AS)
Revenue from operations	25,155.53	1,85,907.03	1,60,476.38	2,70,964.77	2,28,451.27
Other Income	393.65	2,030.07	3,918.62	2,989.41	971.32
<b>Total Income</b>	<b>25,549.18</b>	<b>1,87,937.10</b>	<b>1,64,395.00</b>	<b>2,73,954.18</b>	<b>2,29,422.59</b>
Expenses (excluding Finance Cost, Depreciation & Amortisation and Exceptional Items)	22,707.58	1,58,801.91	1,43,127.66	2,39,345.73	2,01,212.36
Finance Costs/ Interest	1,922.84	7,347.63	5,897.59	8,748.18	5,575.92
Depreciation & Amortisation	3,548.73	14,287.64	13,130.72	15,097.59	11,403.99
Profit before exceptional item and tax	-2,629.97	7,499.92	2,239.03	10,762.68	11,230.32
Exceptional Item	-	-	-	-	-654.15
Profit Before Tax	-2,629.97	7,499.92	2,239.03	10,762.68	10,576.17
Tax expense	-894.57	2,658.31	712.00	3,715.97	3,100.09
Net Profit after tax for the period	-1,735.40	4,841.61	1,527.03	7,046.71	7,476.08
Other Comprehensive Income	-15.18	-748.63	-867.89	-814.49	138.56
Total Comprehensive Income	-1,750.58	4,092.98	659.14	6,232.22	7,614.64
Paid-up Equity Share capital	1,445.97	1,445.97	1,445.97	1,445.97	1,445.97
Free Reserves including Securities Premium Account (excluding impact of fair valuation on fixed assets)	94,164.39	95,899.79	93,673.58	1,19,444.58	1,15,884.17
Net Worth	95,610.36	97,345.76	95,119.55	1,20,890.55	1,17,330.14
Total Debt	99,570.84	1,00,628.23	88,845.92	1,19,099.93	1,24,543.42

<sup>a</sup>Source: Limited review Unaudited standalone financial results of the Company for the three months period ended 30th June, 2020

<sup>aa</sup>Source: Audited standalone financial statements of the Company for the respective financial years

Particulars	(Amount in Rs. except certain ratios)				
	As at /For the period ended on <sup>a</sup>	As at / For the year ended on			
	30th June 2020 (Post Scheme) (Ind AS)	31st March, 2020 (Post Scheme) (Ind AS)	31st March, 2019 (Post Scheme) (Ind AS)	31st March, 2019 (Pre Scheme) (Ind AS)	31st March, 2018 (Pre Scheme) (Ind AS)
Basic Earnings per Equity Share (Rs.)	-2.40	6.69	2.11	9.74	10.34
Diluted Earnings per Equity Share (Rs.)	-2.40	6.69	2.11	9.74	10.34
Debt / Equity Ratio	1.04	1.03	0.93	0.99	1.06
Book Value per Equity Share (Rs.)	132.25	134.65	131.57	167.22	162.29
Return on Net Worth (%)	-1.82	4.97	1.61	5.83	6.37

<sup>a</sup> Not annualized for the three months period ended on 30th June 2020

The Key ratios are computed as below :-

Key Ratios	Basis of calculation
Basic Earnings per Equity Share	Net Profit attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the year/period
Diluted Earnings per Equity Share	Net Profit attributable to equity shareholders/Weighted average number of shares outstanding during the year /period, adjusted with dilutive potential ordinary shares
Debt-Equity Ratio	Total Debt / Net Worth
Book Value per Equity Share	(Paid-up Equity Share capital+Free Reserves and Surplus) / Number of Equity Shares outstanding at year/ period end
Return on Net Worth	Net Profit After Tax / Net Worth excluding revaluation reserves

#### 8 DETAILS OF ESCROW ACCOUNT

- 8.1. In accordance with Regulation 20 of the Buyback Regulations and towards security for performance of its obligations under the Buyback Regulations, the Company has entered into an escrow agreement dated 21st September, 2020 ("Escrow Agreement") with the Merchant Banker and Axis Bank Limited ("Escrow Bank") pursuant to which the Company has opened an escrow account titled "HSIL LIMITED-BUYBACK-ESCROW ACCOUNT" (the "Escrow Account"). The Company has authorized the Merchant Banker to operate the Escrow Account in compliance with the Buyback Regulations and the Escrow Agreement.
- 8.2. The Company will deposit in the Escrow Account cash aggregating to Rs. 17,50,00,000 (Rupees Seventeen Crores Fifty Lakhs Only), being 25% of the Maximum Buyback Size ("Cash Escrow") in accordance with the Buyback Regulations, before opening of the Buyback.
- 8.3. The funds in the Escrow Account may be released for making payment to the shareholders subject to at least 2.5% of the Maximum Buyback

Size remaining in the Escrow Account at all points in time.

- 8.4. If the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the Escrow Account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Education and Protection Fund of Securities and Exchange Board of India or as directed by SEBI in accordance with the Buyback Regulations.
- 8.5. The Cash Escrow will be released in accordance with the Buyback Regulations.

#### 9 LISTING DETAILS AND STOCK MARKET DATA

- 9.1. The Equity Shares of the Company are listed on BSE and NSE.
- 9.2. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six (6) months preceding the date of the Public Announcement from and the corresponding volumes on the BSE and NSE is as follows:

Period	High		Date of High	Low		Date of Low	Average (Rs.)	No. of Equity Shares Traded
	High (Rs.)	No. of Equity Shares Traded		Low (Rs.)	No. of Equity Shares Traded			
Fiscal 2018	530.9	259072	19-12-2017	330.75	115764	18-05-2017	409.16	24999741
Fiscal 2019	405.8	78105	10-04-2018	193.2	54548	11-12-2018	289.91	3544132
Fiscal 2020	296.7	121710	28-05-2019	35.45	85461	24-03-2020	128.94	54992060
Fiscal 2020	296.7	223030	27-05-2019					

Source: www.nseindia.com

Note: High, Low and Average price for the period are based on closing prices

Period	High		Date of High	Low		Date of Low	Average (Rs.)	No. of Equity Shares Traded
	High (Rs.)	No. of Equity Shares Traded		Low (Rs.)	No. of Equity Shares Traded			
Fiscal 2018	532.05	31615	19-12-2017	330.65	11870	18-05-2017	408.89	4194168
Fiscal 2019	403.9	3411	10-04-2018	193.35	6517	11-12-2018	289.91	3544132
Fiscal 2020	297.05	14279	28-05-2019	35.5	9394	24-03-2020	125.92	6911539

Source: www.bseindia.com

Note: High, Low and Average price for the period are based on closing prices

Period	High		Date of High	Low		Date of Low	Average (Rs.)	No. of Equity Shares Traded
	High (Rs.)	No. of Equity Shares Traded		Low (Rs.)	No. of Equity Shares Traded			
Mar-20	52.55	102444	05-03-2020	35.45	85461	24-03-2020	45.32	4352903
Apr-20	54.9	261377	20-04-2020	41.65	138667	01-04-2020	49.15	5421907
May-20	51.00	266575	15-05-2020	47.7	49600	27-05-2020	49.08	1403821
Jun-20	54.05	1160357	29-06-2020	48.25	319640	17-06-2020	51.63	11932900
Jul-20	58.6	1627718	27-07-2020	51.6	131354	03-07-2020	54.7	11827259
Aug-20	66.4	349636	27-08-2020	54.10	108940	03-08-2020	60.90	10034531

Source: www.nseindia.com

Note: High, Low and Average price for the period are based on closing prices

Period	High		Date of High	Low		Date of Low	Average (Rs.)	No. of Equity Shares Traded
	High (Rs.)	No. of Equity Shares Traded		Low (Rs.)	No. of Equity Shares Traded			
Mar-20	52.5	4534	05-03-2020	35.5	9394	24-03-2020	45.31	270144
Apr-20	55	162339	20-04-2020	42.05	3883	01-04-2020	49.25	372141
May-20	50.95	19012	15-05-2020	47.6	2639	27-05-2020	49.16	134897
Jun-20	54.05	90952	29-06-2020	48.4	10664	17-06-2020	51.62	838203
Jul-20	58.45	95660	27-07-2020	51.65	12359	03-07-2020	54.65	1101183
Aug-20	66.4	48623	26-08-2020	54.05	5088	03-08-2020	60.85	729358

Source: www.bseindia.com

Note: High, Low and Average price for the period are based on closing prices

- 9.3 Notice of the Board Meeting convened to consider the proposal of the Buyback was given to the NSE and BSE on 16th September, 2020. The Board, at its meeting held on 21st September, 2020 approved the proposal for the Buyback at a maximum price of Rs. 105 (Rupees One Hundred Five only) per Equity Share and the intimation was sent to NSE and BSE on the same day. The closing market price of the Equity Shares on NSE and BSE, during this period, are summarised below.

Event Date	NSE (Rs.)	BSE (Rs.)
Notice of the Board Meeting convened to consider the proposal of the Buyback 16th September, 2020	67.85	67.85
1 Trading Day Post-Notice of Board Meeting 17th September, 2020	73.05	72.95
1 Trading Day Prior to Board Meeting 18th September, 2020	73.55	73.40
Board Meeting Date 21st September, 2020	70.75	71.40
1 Trading Day Post-Board Meeting 22nd September, 2020	77.85	77.80

Source: www.nseindia.com and www.bseindia.com

#### 10 PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 10.1. The capital structure of the Company as on the date of this Public Announcement, i.e., 22nd September, 2020, and the indicative capital structure of the Company post the completion of the Buyback is set forth below :

Particulars	(As on the date of this Public Announcement) (In Rs.)	(Post completion of the Buyback)* (In Rs.)
Authorised share capital: 11,12,50,000 Equity Shares of Rs.2/- each	22,25,00,000	22,25,00,000
Issued share capital 7,23,00,220 Equity Shares of Rs.2/-each	14,46,00,440	13,12,67,107
Subscribed and fully paid up Capital 7,22,96,395 Equity Shares of Rs.2/-each	14,45,92,790	13,12,59,457

\*Note: Assuming that the indicative Maximum Buyback Shares are bought back. However, the post Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

- 10.2. As on the date of this Public Announcement, there are no Equity Shares which are partly paid-up, or with call in-arrears and there are no outstanding instruments convertible into Equity Shares.

- 10.3. The shareholding pattern of the Company as on 21st September, 2020 (pre-Buyback) and the proposed share holding pattern of the Company post the completion of the Buyback is given below :

Shareholder	Pre-Buyback		Post Buyback #	
	No. of Equity Shares	% of Equity Shares	No. of Equity Shares	% of Equity Shares
(A) Promoter & Promoter Group	3,89,72,819	53.91	3,89,72,819	59.38
(B) Public	3,33,23,576	46.09	2,66,56,909	40.62
(C1) Shares underlying DRs	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-
(C) Non-Promoter -Non-Public	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>7,22,96,395</b>	<b>100.00</b>	<b>6,56,29,728</b>	<b>100.00</b>

# Assuming the Company buys back the Maximum Buyback Shares. However, the shareholding post completion of the Buyback may differ depending upon the actual number of Equity Shares bought back in the Buyback.

- 10.





## HSIL LIMITED

CIN - L51433WB1960PLC024539

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Email : hsilinvestors@hsilgroup.com, Website : www.hsilgroup.com

## PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF HSIL LIMITED FOR THE BUYBACK STOCK EXCHANGES UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This public announcement ("Public Announcement") is being made pursuant to the provisions of Regulation 16 (iv) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments thereto from time to time ("Buyback Regulations") and contains the disclosures as specified in Schedule IV to the Buyback Regulations read with Schedule I of the Buyback Regulations

## OFFER TO BUYBACK EQUITY SHARES OF HSIL LIMITED ("COMPANY") OF FACE VALUE OF Rs.2/- (RUPEES TWO ONLY) EACH ("EQUITY SHARES") FROM THE OPEN MARKET THROUGH STOCK EXCHANGES.

## Part A - Disclosures in accordance with Schedule I of the Buyback Regulations

## 1 DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1. Pursuant to the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act") or the "Act", the Companies (Share Capital and Debentures) Rules, 2014 ("Share Capital Rules"), the Companies (Management and Administration) Rules, 2014 ("Management Rules"), and the provisions of the Buyback Regulations, Articles of Association of the Company and pursuant to the resolutions passed by the board of directors of the Company (the Board of Directors of the Company are hereinafter referred to as the "Board" or the "Board of Directors") at its meeting held on 21st September, 2020 ("Board Meeting"), the Board approved the buyback of the Company's fully paid-up equity shares of the face value of Rs.2/- (Rupees Two only) each ("Equity Shares") from its shareholders/beneficial owners excluding promoters, promoter group and persons who are in control of the Company, via the 'open market' route through the stock exchanges, for a total amount not exceeding Rs.70,00,00,000 (Rupees Seventy Crores only) ("Maximum Buyback Size"), and at a price not exceeding Rs.105 (Rupees One Hundred Five) per Equity Share ("Maximum Buyback Price"), payable in cash (the process being referred hereinafter as "Buyback"). The Maximum Buyback Size shall not include any expenses incurred or to be incurred for the Buyback like filing fees payable to SEBI, advisors' fees, stock exchange fees, brokerage buy back tax, applicable taxes including inter alia securities transaction tax, goods and services tax, stamp duty etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses ("Transaction Costs").

1.2. The Maximum Buyback Size represents 7.19% of the aggregate of the total paid-up Equity Share capital and free reserves (which includes the securities premium account) of the Company based on the standalone audited financial statements of the Company as on 31st March, 2020 (being the latest available audited standalone financial statements of the Company). Further, since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68 (2)(b) of the Act, the approval of the shareholders of the Company is not required.

1.3. At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 66,66,667 ("Maximum Buyback Shares") which is 9.22% of the total number of paid-up Equity Shares of the Company. If the equity shares are bought back at a price below the Maximum Buyback Price, the actual number of equity shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 25% of the total number of Equity Shares forming part of the paid up equity share capital of the Company. The Company will comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid-up equity share capital of the Company as provided under Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Buy-back Period and upon completion thereof.

1.4. Unless otherwise permitted under applicable law, the Company shall utilize at least 50% of the Maximum Buyback Size i.e., Rs. 35,00,00,000 (Rupees Thirty Five Crores) ("Minimum Buyback Size") towards the Buyback and accordingly, based on the Maximum Buyback Price and Minimum Buyback Size, the Company will purchase an indicative minimum number of 33,33,333 (Thirty Three Lakhs Thirty Three Thousand Three Hundred Thirty Three) Equity Shares.

1.5. The Board (or the existing committee of directors empowered by the Board to exercise its powers in relation to the Buyback, i.e., its Committee of Directors), shall determine, at its discretion, the time frame for completion of the Buyback and may close the Buyback (which shall not be longer than six (6) months from the date of commencement of the Buyback or such other period as may be permitted under the Act and/or Buyback Regulations or as may be directed by the appropriate authorities) after the Minimum Buyback Size has been reached, and irrespective of whether the Maximum Buyback Size has or has not been reached, after giving appropriate notice for such closure and on completing all formalities in this regard, in accordance with the Act and / or Buyback Regulations.

1.6. The Buyback (including Transaction Costs) will be implemented by the Company out of its securities premium account, free reserves and / or such other source as may be permitted under Section 68(1) of the Act and Regulation 4(k) of the Buyback Regulations and shall be from the open market purchases through the stock exchanges by the order matching mechanism except 'all or none' order matching system, as provided under the Buyback Regulations.

1.7. The Buyback is subject to receipt of such sanctions and approvals from statutory, regulatory or governmental authorities, as may be required under applicable laws, including the Reserve Bank of India, the Securities and Exchange Board of India ("SEBI") and the stock exchanges on which the Equity Shares are listed, namely, National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") (hereinafter together referred to as the "Stock Exchanges").

1.8. This Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and members of foreign nationality, if any, etc. is subject to such approvals as may be required including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any, and such approvals shall be required to be taken by such non-resident members.

1.9. A copy of this Public Announcement is available on the website of the Company at www.hsilgroup.com, and is expected to be available on the website of SEBI i.e., www.sebi.gov.in during the period of the Buyback and on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com, respectively.

## 2 NECESSITY FOR THE BUYBACK

Buyback is the process of acquisition by the Company of its own Equity Shares. The Buyback is expected to achieve the objective of returning surplus funds to the shareholders, optimizing the capital structure, improving return on equity through distribution of surplus funds, improving earnings per share by reduction in equity based on increasing shareholders' value in the long term. The Buyback is not likely to cause any material impact on the profitability/earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback. The Buyback may lead to reduction in outstanding Equity Shares, improvement in 'earnings per share' and enhanced return on equity, assuming that the Company would earn similar profits as in the past.

## 3 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES &amp; BASIS OF ARRIVING AT THE BUYBACK PRICE

3.1. The Maximum Buyback Price of Rs. 105 per Equity Share has been arrived at after considering various factors, including trends in the market price of the Equity Shares on the Stock Exchanges, the net worth of the Company and the potential impact of the Buyback on the earnings per share and other similar ratios of the Company.

3.2. The Maximum Buyback Price of Rs.105 per Equity Share represents: (i) a premium of 82.72% and 82.10% over the volume weighted average market price of the Equity Shares on BSE and NSE, respectively, for three months preceding the date of intimation to the Stock Exchanges of the Board Meeting to consider the proposal of the Buyback i.e., 16th September, 2020; and (ii) a premium of 43.05% and 42.76% over the closing market price of the Equity Shares as on the trading day prior to the date of the Board Meeting i.e., 21st September, 2020 on BSE and NSE respectively. The closing market price of the Equity Shares as on the date of Board Meeting i.e., 21st September, 2020, was Rs.71.40 and Rs.70.75 on BSE and NSE, respectively.

3.3. The actual number of Equity Shares bought back will depend upon the actual price paid for the Buyback, excluding the Transaction Costs paid for the Equity Shares bought back, and the aggregate amount paid in the Buyback, subject to the Maximum Buyback Size. The actual reduction in outstanding number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buyback period.

## 4 MAXIMUM AMOUNT, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES &amp; SOURCES OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED

The Maximum Buyback Size of Rs. 70,00,00,000 (Rupees Seventy Crores only) (excluding Transaction Costs) is 7.19% of the aggregate of the fully paid up equity share capital and free reserves (which includes the securities premium account) as per the latest audited standalone financial statements of the Company, as at 31st March,

2020. The Buyback (including the Transaction Costs) would be financed out of free reserves (which includes the securities premium account) of the Company and / or such other sources as may be permitted by the Buyback Regulations and the Companies Act, and on such terms and conditions as the Board may deem fit. The Company shall transfer from its free reserves (which includes the securities premium account) a sum equal to the face value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements.

## 5 MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUYBACK

5.1. At the Maximum Buyback Price and for Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 66,66,667 (Sixty Six Lakhs Sixty Six Thousand Six Hundred Sixty Seven) which is 9.22% of the total number of paid-up Equity Shares of the Company.

5.2. If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. Further, the number of Equity Shares to be bought back will not exceed 25% of the total paid up Equity Share capital of the Company as at 31st March, 2020.

## 6 DETAILS OF SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP OF THE COMPANY AND OTHER DETAILS

6.1. The aggregate shareholding of the (i) promoter and members of the promoter group of the Company who are in control of the Company, (ii) directors of the promoter and corporate members of the promoter group of the Company, and (iii) directors and key managerial personnel of the Company as on the date of the Board Meeting i.e., 21st September, 2020, is as follows:

Sl. No.	Name	No. of Equity Shares Held	% of Equity Shareholding in the Company
(i) Shareholding of Promoter and Members of the Promoter Group in the Company			
1.	Dr. Rajendra Kumar Somany	3410000	4.72
2.	Mr. Sandip Somany	2187731	3.03
3.	Ms. Sumita Somany	161000	0.22
4.	Ms. Divya Somany	146912	0.20
5.	Sandip Somany HUF	95832	0.13
6.	Mr. Shashvat Somany	76244	0.11
7.	Somany Impresa Limited	32895000	45.50
8.	Matterhorn Trust	100	Negligible
Total Shareholding of Promoter and Members of the Promoter Group (A)		38972819	53.91
(ii) Shareholding of Directors of Somany Impresa Limited in the Company			
1.	Dr. Rajendra Kumar Somany*	-	-
2.	Mr. Sandip Somany*	-	-
3.	Ms. Sumita Somany*	-	-
4.	Mr. Giridhari Lal Sultania#	50705	0.07
5.	Mr. Niranjana Kumar Goenka	-	-
6.	Mr. Basant Kumar Perwal	-	-
7.	Mr. Rohit Kumar Somany	-	-
Total (B)		50705	0.07
(iii) Shareholding of Directors of the Company			
1.	Dr. Rajendra Kumar Somany* Chairman and Managing Director	-	-
2.	Mr. Sandip Somany* Vice Chairman and Managing Director	-	-
3.	Ms. Sumita Somany* Non-executive Non-independent Director	-	-
4.	Mr. Giridhari Lal Sultania# Non-executive Non-independent Director	-	-
5.	Mr. Vijay Kumar Bhandari Independent Director	-	-
6.	Mr. Nand Gopal Khaitan Independent Director	132	Negligible
7.	Mr. Anil Wadhwa Independent Director	-	-
8.	Mr. Rakesh Sarin Independent Director	-	-
9.	Ms. Himayani Gupta Independent Director	-	-
Total (C)		132	Negligible
(iv) Shareholding of Key Managerial Personnel of the Company			
1.	Mr. Om Prakash Pandey Chief Financial Officer	-	-
2.	Mr. Pulkit Bhatin Company Secretary	-	-
Total (D)		-	-
Total (A+B+C+D)		39023656	53.98

\* Please refer point (i) for shareholding.

# Please refer point (ii) for shareholding.

6.2. No Equity Shares or other specified securities of the Company have been purchased or sold by the (i) promoter and members of the promoter group of the Company, (ii) directors of the promoter and corporate members of the promoter group of the Company, and (iii) directors and key managerial personnel of the Company, on the stock exchanges or off-market during a period of twelve (12) months preceding the date of the Public Announcement i.e., 22nd September, 2020 and the six (6) months preceding the date of the Board Meeting i.e., 21st September, 2020, except for the following:

Name	Aggregate No. of Equity Shares acquired / sold	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
Somany Impresa Limited (Formerly: Peco Exports Limited)	33,00,000	Market purchase	57.88	12/02/2020	48.90	07/02/2020
Sandip Somany	(95,832)	Inter-se transfer	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Sandip Somany HUF	95,832	Inter-se transfer	Not Applicable	Not Applicable	Not Applicable	Not Applicable

## 7 NON - PARTICIPATION BY THE PROMOTER AND MEMBERS OF THE PROMOTER GROUP OF THE COMPANY IN THE BUYBACK

7.1. As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company.

7.2. Further, as per Regulation 24(i)(e) of the Buyback Regulations, the promoter and members of the promoter group of the Company, and their respective associates have not dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and the members of the promoter group of the Company) from the date of the Board Meeting till the date of the Public Announcement and shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and the members of the promoter group of the Company) from the date of the Public Announcement till the completion of the Buyback.

## 8 SUBSISTING DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

## 9 CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE COMPANIES ACT

9.1. All the Equity Shares of the Company are fully paid-up.

9.2. The Buyback period extends from 21st September, 2020, i.e., the date of the Board resolution authorising the Buyback to the date on

which the last payment of consideration for the Equity Shares bought back by the Company is made ("Buyback Period"). The Company is not permitted to raise further capital for such period following the date of expiry of the Buyback Period (except in discharge of its subsisting obligations) as specified in the Buyback Regulations, read with the relevant circulars issued by SEBI from time to time.

9.3. The Buyback shall open not later than seven (7) working days from the date of Public Announcement and shall close within a period of six (6) months from the date of opening of the Buyback.

9.4. The Company shall not issue any Equity Shares or other specified securities (including by way of bonus or convert any outstanding stock options/outstanding instruments into Equity Shares) during the Buyback Period.

9.5. The Company has not under taken a buyback of any of its securities during the period of one year immediately preceding the date of the Board Meeting i.e., 21st September, 2020 and shall not make any offer of buyback within a period of one year from the date of expiry of the Buyback Period.

9.6. The Company shall not buy back its shares from any person through negotiated deals whether on or off the stock exchanges or through spot transactions or through private arrangement.

9.7. The Equity Shares bought back by the Company shall be compulsorily extinguished and destroyed in terms of the Buyback Regulations and will not be held for re-issue at a later date.

9.8. The funds borrowed from banks and financial institutions will not be used for the Buyback.

9.9. The Company will not issue the same kind of shares including allotment of new shares under clause (a) of sub-section (1) of section 62 of the Companies Act, 1956, Companies Act, or the Insolvency and Bankruptcy Code, 2016 as applicable (including prospective and contingent liabilities).

9.10. The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up share capital and free reserves after the Buyback as prescribed under Buyback Regulations, the Companies Act, the rules made there-under and other applicable laws.

9.11. The Company is not under taking the Buyback to delist its Equity Shares from the Stock Exchanges.

9.12. There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act as on date.

9.13. The Company shall not withdraw the Buyback after the date of this Public Announcement.

## 10 CONFIRMATIONS FROM THE BOARD

The Board of Directors of the Company has confirmed during the Board Meeting on 21st September, 2020, that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

10.1. Immediately following the date of the Board Meeting approving the Buyback on 21st September, 2020, there will be no grounds on which the Company could be found unable to pay its debts;

10.2. As regards the Company's prospects for the year immediately following the date of the Board Meeting, and having regard to the Board's intention with respect to the management of Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and

10.3. In forming its opinion aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956, Companies Act, or the Insolvency and Bankruptcy Code, 2016 as applicable (including prospective and contingent liabilities).

## 11 REPORT OF THE AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

The text of the report dated 21st September, 2020 received from Lodha & Co., Chartered Accountants, the statutory auditors of the Company, addressed to the Board of Directors is reproduced below :

## Quote

## REPORT OF THE AUDITOR ON PERMISSIBLE CAPITAL PAYMENT AND OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

To,  
The Board of Directors  
HSIL Limited  
2, Red Cross Place,  
Kolkata - 700 001  
West Bengal

Dear Sir / Ma'am

Sub: Statutory Auditor's Report in respect of the proposed buyback of equity shares by HSIL Limited (the "Company") in terms of Schedule IV read with Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 ("Buyback Regulations").

1. This report is issued in accordance with the terms of our engagement letter dated 21st September, 2020.

2. The Board of Directors of the Company has approved a proposal for buyback of equity shares of the Company ("Equity Shares") at its meeting held on 21st September, 2020 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") and the Buyback Regulations. We have been requested by the management of the Company to perform a reasonable assurance engagement on the accompanying statement of permissible capital payment ("Annexure") as at 31st March, 2020 (hereinafter referred to as the "Statement"). This statement has been prepared by the management of the Company, which we have initiated for the purposes of identification only.

## MANAGEMENT'S RESPONSIBILITY

3. The preparation of the Statement in accordance with Section 68(2) of the Companies Act, 2013 and the compliance with the Buyback Regulations, is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Board of Directors of the Company are responsible to make a full inquiry into the affairs of the Company and to form an opinion that the Company will be able to pay its debts from the date of the board meeting and will not be rendered insolvent within a period of one year from the date of meeting and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

## AUDITOR'S RESPONSIBILITY

5. Pursuant to the requirement of the Buyback Regulations, it is our responsibility to provide a reasonable assurance:

i. If the amount of permissible capital payment as stated in Annexure, has been properly determined considering the audited standalone financial statements as at 31st March, 2020 in accordance with Section 68(2)(c) of the Act and the proviso to Regulation 4(iv) of the Buyback Regulations;

ii. If the Board of Directors of the Company, in its meeting held on 21st September, 2020 has formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date; and

iii. Whether we are aware of anything to indicate that the opinion expressed by the board of directors of the Company in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we have issued an unmodified audit opinion dated 10th June, 2020. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. 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.

9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement :

(i) We have inquired into the state of affairs of the Company in relation to its audited standalone financial statements as at and for the year ended 31st March, 2020;

(ii) Examined authorization for buyback from the Articles of Association of the Company;

(iii) Examined that the amount of permissible capital payment for the Buyback as detailed in Annexure is within permissible limit computed in accordance with section 68(2) of the Act based on the audited standalone financial statements for the year ended 31st March, 2020 of the Company;

(iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after the Buyback based on the audited standalone financial statements of the Company as at and for the year ended 31st March, 2020;

(v) Examined that all shares for buy-back are fully paid-up;

(vi) Read the resolutions passed in the meetings of the board of directors of the Company. We have done no procedures as regard the projections as approved by the board of directors and accordingly do not certify the same;

(vii) Read the director's declarations for the purpose of buy back and solvency of the Company; and

(viii) Obtained necessary representations from the management of the Company.

## OPINION

10. Based on enquiries conducted and our examination as above, we certify that :

a. The amount of permissible capital payment (including premium) towards the proposed buyback of equity shares as computed in the Statement attached herewith, is properly determined in our view in accordance with Section 68(2) read with proviso to Section 68(2)(b) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements of the Company as at and for the year ended 31st March, 2020; and

b. The Board of Directors of the Company, in their meeting held on 21st September, 2020 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the resolution of the board and we are not aware of anything to indicate that the opinion expressed by the directors of the Company in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

## RESTRICTION ON USE

11. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the Buyback Regulations, (ii) to enable the board of directors of the Company to include in the public announcement and other documents pertaining to the Buyback to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the merchant banker appointed in connection with the Buyback, may not be suitable for any other purpose.

For LODHA & CO.  
Chartered Accountants  
ICAI Firm Registration Number : 301051E

Gaurav Lodha  
Partner

Place: New Delhi  
Date: 21st September, 2020  
Membership Number : 507462  
UDIN: 20507462AAAATY500

## ANNEXURE

STATEMENT OF PERMISSIBLE CAPITAL PAYMENT OF HSIL LIMITED	
Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2) of the Companies Act, 2013 ("Act") based on audited standalone financial statements as at and for the year ended March 31, 2020.	
Particulars	(Amount in Rs. Lakh)
Paid-up Equity Share Capital as at March 31, 2020 (A)	1445.97
Free Reserves as at March 31, 2020*	-
Retained Earnings	46632.25
Securities Premium Account	30812.98
General Reserve*	12545.56
Total Free Reserves* (B)	95869.79
Total Paid-up Equity Share Capital and Free Reserves (A + B)	97345.76
Permissible capital payment in accordance with proviso to Section 68(2)(b) of the Act requiring Board Resolution (10% of total paid-up Equity Share capital and free reserves)	9734.57

\* Free reserves as defined in Section 2(43) read along with Explanation II provided in Section 68 of the Act.  
^ Net of Revaluation impact of Property, Plant & Equipment.

## Unquote

## Part B - Disclosures in accordance with Schedule IV of the Buyback Regulations

## 1 DATE OF BOARD APPROVAL FOR THE BUYBACK

The Buyback has been approved by the Board in the Board Meeting on 21st September, 2020. Further, since the Maximum Buyback Size is not more than 10% of the total paid-up Equity Share capital and free reserves of the Company in accordance with the proviso to the Section 68 (2) (b) of the Act, the approval from the shareholders of the Company is not required.

## 2 MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUYBACK

2.1. At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 66,66,667 i.e., the Maximum Buyback Shares. If the Equity Shares are bought back at a price below the Maximum Buyback Price the actual number of equity shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size.



PROPOSED TIMETABLE

Activity	Date
Date of Board Meeting and Board resolution approving Buyback	21st September, 2020
Date of publication of the Public Announcement	23rd September, 2020
Date of opening of the Buyback	30th September, 2020
Acceptance of Equity Shares (accepted only in dematerialised mode)	Upon the relevant pay-out by the Stock Exchanges
Extinguishment of Equity Shares	In case the dematerialised shares are bought back, the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended and the bye-laws framed there-under.
Last date for the completion of the Buyback	Earlier of : a. 29th March, 2021 (i.e. six (6) months from the date of the commencement of the Buyback); or b. when the Company completes the Buyback by deploying the amount equivalent to the Maximum Buyback Size; or c. at such earlier date as may be determined by the Board or its Committee of Directors after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buyback Size has not been reached or the Maximum Buyback Shares have not been bought back), provided, that all payment obligations relating to the Buyback shall be completed before the last date for the Buyback

4. PROCESS AND METHODOLOGY FOR BUYBACK

4.1. The Buyback is open to all shareholders and beneficial owners holding dematerialized shares ("Demat Shares"). Shareholders holding Equity Shares in physical form can participate in the Buy-back, only after such Equity Shares are dematerialized. However, as per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from the promoter and members of the promoter group and persons in control of the Company.

4.2. Further, as required under the Act and Buyback Regulations, the Company will not buy back Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in, or until the time such Equity Shares become freely transferable, as applicable.

4.3. The Buyback will be implemented by the Company by way of open market purchases through the stock exchanges having nationwide terminals, by the order matching mechanism except "all or none" order matching system, as provided under the Buyback Regulations.

4.4. For the implementation of the Buyback, the Company has appointed M/s. Vardhaman Capital Private Limited as its broker ("Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

VARDHAMAN CAPITAL PRIVATE LIMITED

CIN: U67120WB1995PTC068108

Address: 25, Swallow Lane, Wardley House, 2nd Floor, Kolkata-700001, Tel: + 91 33 68202020 / 9830042262

Contact Person: Mr. Anup Kumar Khandelwal / Mr. Suresh Chandra Khuntia

Email: info@vardhamancapital.net, Website : www.vardhamancapital.co.in

SEBI Registration Number: INZ000204533 For NSE CM+FAO+BSE CM

4.5. The Equity Shares are traded under the symbol code: HSIL at NSE and scrip code: 500187 at BSE. The ISIN of the Equity Shares of the Company is INE415A01038.

4.6. The Company, shall, commencing from 30th September, 2020 (i.e. the date of commencement of the Buyback), place "buy" orders on the Stock Exchanges on the normal trading segment to Buyback the Equity Shares through the Company's Broker, in such quantity and at such price, not exceeding the Maximum Buyback Price of Rs. 105 per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buyback of Equity Shares, the identity of the Company as purchaser shall be available to the market participants of the Stock Exchanges.

4.7. Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buyback, would have to do so through their stock broker, who is a registered member of the Stock Exchanges by indicating to their broker the details of the Equity Shares they intend to sell whenever the Company has placed a "buy" order for Buyback of the Equity Shares. The Company shall place a "buy" order for Buyback of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the beneficial owners and that price would be the Buyback price for that beneficial owner. The execution of the order and issuance of contract note would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchanges and SEBI. Orders for Equity Shares can be placed on the trading days of the Stock Exchanges. The Company is under no obligation to place "buy" order on a daily basis. The orders for buying back the Equity Shares will be placed on normal trading segment of Stock Exchanges at least once a week.

4.8. It may be noted that a uniform price would not be paid to all the shareholders/beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that particular shareholder/beneficial owner was executed.

4.9. Shareholders are requested to get in touch with M/s. Finshore Management Services Limited ("Merchant Banker") or the Company's Broker or the Registrar of the Company to clarify any doubts in the process.

4.10. Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buyback Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any additional Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buyback Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buyback, to the extent permissible by law. The Company is under no obligation to utilize the entire amount of Maximum Buyback Size or buy all the Maximum Buyback Shares. However, if the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the escrow account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Education and Protection Fund of Securities and Exchange Board of India or as directed by SEBI in accordance with the Buyback Regulations.

4.11. The Company shall submit the information regarding the Equity Shares bought back by it to the Stock Exchanges on a daily basis in accordance with the Buyback Regulations. The Company shall also upload the information regarding the Equity Shares bought back by it on its website (www.hsilgroup.com) on a daily basis.

4.12. Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form: As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, public shareholders desirous of tendering their Equity Shares held in physical form can do so only after the Equity Shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

ACCORDINGLY, ALL SHAREHOLDERS OF THE COMPANY HOLDING EQUITY SHARES IN PHYSICAL FORM AND DESIROUS OF PARTICIPATING IN THE BUY-BACK ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED. INCASE ANY ELIGIBLE SHAREHOLDER HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALIZATION, SUCH ELIGIBLE SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF DEMATERIALIZATION IS COMPLETED WELL IN TIME SO THAT THEY CAN PARTICIPATE IN THE BUYBACK BEFORE THE CLOSURE OF BUY-BACK.

5. METHOD OF SETTLEMENT

5.1. Settlement of Demat Shares: The Company will pay consideration for the Buyback to the Company's Broker on or before every pay-in date for each settlement, as applicable to the Stock Exchanges where the transaction is executed. The equity shares bought back in demat form would be transferred directly to the demat account of the Company designated for the buyback ("Buyback Demat Account"). Demat shares bought back by the Company will be transferred into the Buyback Demat Account by the Company's Broker, on receipt of such Demat Shares and after completion of the clearing and settlement obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buyback, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective Depository Participant ("DP") for debiting their beneficiary account maintained with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions. The beneficial owners would also be required to provide to the Company's broker or the Registrar to the Buyback, copies of all statutory consents and approvals required to be obtained by them for the transfer of their Equity Shares to the Company, as applicable.

5.2. Extinguishment of Demat Shares: The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 2018, as amended and bye-laws framed there-under in the manner specified in the Buyback Regulations and the Act. The Equity Shares lying in credit in the Buyback Demat Account will be extinguished within 15 (fifteen) days of acceptance of the Demat Shares, provided that the Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within 7 (seven) days of the expiry of the Buyback Period.

6. BRIEF INFORMATION ABOUT THE COMPANY

a) History of the Company

The Company was set up in 1960 as Hindustan Twyford's Ltd. with a technical collaboration with Twyford UK, to introduce vitreous china sanitary ware in India. Subsequently it was renamed as Hindustan Sanitaryware and Industries Limited in 1969 and HSIL Limited in 2009. The Registered Office of the Company is situated at 2, Red Cross Place, Kolkata-700001 and the Corporate Office of the Company is situated at 301-302, III Floor, Park Centra, Sector 30, N.H. 8, Gurugram, Haryana 122 001.

The Company commenced its business with Building Products Division and gradually entered into various business segments namely: Packaging Products Division, Consumer Products Division and Retail Division.

The Hon'ble Kolkata Bench of National Company Law Tribunal vide its order dated 26th June, 2019 approved the Composite Scheme of Arrangement (Demerger) and accordingly, the Marketing and Distribution of Consumer Products and Retail Divisions of the Company have been demerged to Somany Home Innovation Limited (SHIL) and the Marketing and Distribution of Building Products have been demerged and vested to Brillco Limited, a wholly-owned subsidiary of SHIL. The said Scheme was made effective from the Appointed Date i.e. 1st April, 2019. The Pre Scheme and Post Scheme Financial Information is mentioned in point no.7 herein below.

b) Business Overview

Subsequent to the Demerger, the Company has following business Divisions:

i). Packaging Products Division

The Company manufactures and markets various packaging products, including glass containers and PET bottles and products and security caps and closures. These products cater to various industries like alcoholic and non-alcoholic beverages, FMCG, retail pharmaceuticals and edible oil amongst other.

The Company has two glass container plants in Telangana, three PET bottles plants at Dharwad in Karnataka, Selaiqui in Uttarakhand and Insapur in Telangana and one caps and closures plant in Telangana.

ii). Building Products Division

It primarily comprises the manufacturing of sanitaryware and faucets and plastic pipes and fittings.

The Company has (a) two sanitaryware plants i.e., at Bahadurgarh in Haryana and Babinagar in Telangana, (b) two faucet plants at Kaharani and Bhiwadi in Rajasthan and (c) one plastic pipes and fittings plant at Sangareddy in Telangana.

7. FINANCIAL INFORMATION ABOUT THE COMPANY

The financial information on the basis of standalone financial statements of the Company for the three months ended 30th June, 2020 and the last three financial years ended 31st March, 2020, 31st March, 2019 and 31st March, 2018 is provided hereunder :

Particulars	(in Rs. Lakhs)				
	As at /For the period ended on <sup>A</sup>	As at / For the year ended on <sup>AA</sup>			
	30th June 2020 (Post Scheme) (Ind AS)	31st March, 2020 (Post Scheme) (Ind AS)	31st March, 2019 (Post Scheme) (Ind AS)	31st March, 2019 (Pre Scheme) (Ind AS)	31st March, 2018 (Pre Scheme) (Ind AS)
Revenue from operations	25,155.53	1,85,907.03	1,60,476.38	2,70,964.77	2,28,451.27
Other Income	393.65	2,030.07	3,918.62	2,989.41	971.32
Total Income	25,549.18	1,87,937.10	1,64,395.00	2,73,954.18	2,29,422.59
Expenses (excluding Finance Cost, Depreciation & Amortisation and Exceptional Items)	22,707.58	1,58,801.91	1,43,127.66	2,39,345.73	2,01,212.36
Finance Cost/ Interest	1,922.84	7,347.63	5,897.59	8,748.18	5,575.92
Depreciation & Amortisation	3,548.73	14,287.64	13,130.72	15,097.59	11,403.99
Profit before exceptional item and tax	-2,629.97	7,499.92	2,239.03	10,762.68	11,230.32
Exceptional Item	-	-	-	-	-654.15
Profit Before Tax	-2,629.97	7,499.92	2,239.03	10,762.68	10,576.17
Tax expense	-894.57	2,658.31	712.00	3,715.97	3,100.09
Net Profit after tax for the period	-1,735.40	4,841.61	1,527.03	7,046.71	7,476.08
Other Comprehensive Income	-15.18	-748.63	-867.89	-814.49	138.56
Total Comprehensive Income	-1,750.58	4,092.98	659.14	6,232.22	7,614.64
Paid-up Equity Share capital	1,445.97	1,445.97	1,445.97	1,445.97	1,445.97
Free Reserves including Securities Premium Account (excluding impact of fair valuation on fixed assets)	94,164.39	95,899.79	93,673.58	1,19,444.58	1,15,884.17
Net Worth	95,610.36	97,345.76	95,119.55	1,20,890.55	1,17,330.14
Total Debt	99,570.84	1,00,628.23	88,845.92	1,19,099.93	1,24,543.42

<sup>A</sup>Source: Limited review Unaudited standalone financial results of the Company for the three months period ended 30th June, 2020

<sup>AA</sup>Source: Audited standalone financial statements of the Company for the respective financial years

Key Ratios: (Amount in Rs. except certain ratios)

Particulars	As at /For the period ended on <sup>A</sup>	As at / For the year ended on			
	30th June 2020 (Post Scheme) (Ind AS)	31st March, 2020 (Post Scheme) (Ind AS)	31st March, 2019 (Post Scheme) (Ind AS)	31st March, 2019 (Pre Scheme) (Ind AS)	31st March, 2018 (Pre Scheme) (Ind AS)
Basic Earnings per Equity Share (Rs.)	-2.40	6.69	2.11	9.74	10.34
Diluted Earnings per Equity Share (Rs.)	-2.40	6.69	2.11	9.74	10.34
Debt / Equity Ratio	1.04	1.03	0.93	0.99	1.08
Book Value per Equity Share (Rs.)	132.25	134.65	131.57	157.22	162.29
Return on Net Worth (%)	-1.82	4.97	1.61	5.83	6.37

<sup>A</sup> Not annualized for the three months period ended on 30th June 2020

The Key ratios are computed as below :-

Key Ratios	Basis of calculation
Basic Earnings per Equity Share	Net Profit attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the year/period
Diluted Earnings per Equity Share	Net Profit attributable to equity shareholders/Weighted average number of shares outstanding during the year /period, adjusted with dilutive potential ordinary shares
Debt-Equity Ratio	Total Debt / Net Worth
Book Value per Equity Share	(Paid-up Equity Share capital+Free Reserves and Surplus) / Number of Equity Shares outstanding at year/ period end
Return on Net Worth	Net Profit After Tax / Net Worth excluding revaluation reserves

8. DETAILS OF ESCROW ACCOUNT

8.1. In accordance with Regulation 20 of the Buyback Regulations and towards security for performance of its obligations under the Buyback Regulations, the Company has entered into an escrow agreement dated 21st September, 2020 ("Escrow Agreement") with the Merchant Banker and Axis Bank Limited ("Escrow Bank") pursuant to which the Company has opened an escrow account titled "HSIL LIMITED-BUYBACK-ESCROW ACCOUNT" (the "Escrow Account"). The Company has authorized the Merchant Banker to operate the Escrow Account in compliance with the Buyback Regulations and the Escrow Agreement.

8.2. The Company will deposit in the Escrow Account cash aggregating to Rs. 17,50,00,000 (Rupees Seventeen Crores Fifty Lakhs Only), being 25% of the Maximum Buyback Size ("Cash Escrow") in accordance with the Buyback Regulations, before opening of the Buyback.

8.3. The funds in the Escrow Account may be released for making payment to the shareholders subject to at least 2.5% of the Maximum Buyback

Size remaining in the Escrow Account at all points in time.

8.4. If the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the Escrow Account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Education and Protection Fund of Securities and Exchange Board of India or as directed by SEBI in accordance with the Buyback Regulations.

8.5. The Cash Escrow will be released in accordance with the Buyback Regulations.

9. LISTING DETAILS AND STOCK MARKET DATA

9.1. The Equity Shares of the Company are listed on BSE and NSE.

9.2. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six (6) months preceding the date of the Public Announcement from and the corresponding volumes on the BSE and NSE is as follows:

NSE

Period	High (Rs.)	No. of Equity Shares Traded	Date of High	Low (Rs.)	No. of Equity Shares Traded	Date of Low	Average (Rs.)	No. of Equity Shares Traded
Fiscal 2018	530.9	253072	18-12-2017	330.75	115764	18-05-2017	409.16	24939741
Fiscal 2019	405.6	78105	10-04-2018	193.2	54548	11-12-2018	289.78	25298941
Fiscal 2020	296.7	127170	28-06-2019	35.45	85461	24-03-2020	128.94	54992060
Fiscal 2020	296.7	223030	27-05-2019					

Source: www.nseindia.com  
Note: High, Low and Average price for the period are based on closing prices

BSE

Period	High (Rs.)	No. of Equity Shares Traded	Date of High	Low (Rs.)	No. of Equity Shares Traded	Date of Low	Average (Rs.)	No. of Equity Shares Traded
Fiscal 2018	532.05	31815	19-12-2017	330.65	11870	18-05-2017	408.89	4194168
Fiscal 2019	403.9	3411	10-04-2018	193.35	8517	11-12-2018	289.91	3544132
Fiscal 2020	297.05	14279	28-05-2019	35.5	9394	24-03-2020	125.92	6911539

Source: www.bseindia.com  
Note: High, Low and Average price for the period are based on closing prices

NSE

Period	High (Rs.)	No. of Equity Shares Traded	Date of High	Low (Rs.)	No. of Equity Shares Traded	Date of Low	Average (Rs.)	No. of Equity Shares Traded
Mar-20	52.55	102444	05-03-2020	35.45	85461	24-03-2020	45.32	4352903
Apr-20	54.9	2613777	20-04-2020	41.65	138667	01-04-2020	49.15	5421907
May-20	51.00	266575	15-05-2020	47.7	49600	27-05-2020	49.08	1403823
Jun-20	54.05	1160357	29-06-2020	48.25	319640	17-06-2020	51.63	11932900
Jul-20	58.6	1627718	27-07-2020	51.6	131354	03-07-2020	54.7	11827259
Aug-20	66.4	349636	27-08-2020	54.10	108940	03-08-2020	60.90	10034531

Source: www.nseindia.com  
Note: High, Low and Average price for the period are based on closing prices

BSE

Period	High (Rs.)	No. of Equity Shares Traded	Date of High	Low (Rs.)	No. of Equity Shares Traded	Date of Low	Average (Rs.)	No. of Equity Shares Traded
Mar-20	52.55	4534	05-03-2020	35.5	3984	24-03-2020	45.31	270144
Apr-20	55	162339	20-04-2020	42.05	3883	01-04-2020	49.25	372141
May-20	50.95	19012	15-05-2020	47.6	2639	27-05-2020	49.16	134897
Jun-20	54.05	90952	29-06-2020	48.4	10664	17-06-2020	51.62	838203
Jul-20	58.45	95660	27-07-2020	51.65	12359	03-07-2020	54.65	1101183
Aug-20	66.4	48623	28-08-2020	54.05	5088	03-08-2020	60.85	729358

Source: www.bseindia.com  
Note: High, Low and Average price for the period are based on closing prices

9.3 Notice of the Board Meeting convened to consider the proposal of the Buyback was given to the NSE and BSE on 16th September, 2020. The Board, at its meeting held on 21st September, 2020 approved the proposal for the Buyback at a maximum price of Rs. 105 (Rupees One Hundred Five only) per Equity Share and the intimation was sent to NSE and BSE on the same day. The closing market price of the Equity Shares on NSE and BSE, during this period, are summarised below.

Event Date	NSE (Rs.)	BSE (Rs.)
Notice of the Board Meeting convened to consider the proposal of the Buyback 16th September, 2020	67.85	67.85
1 Trading Day Post-Notice of Board Meeting 17th September, 2020	73.05	72.95
1 Trading Day Prior to Board Meeting 18th September, 2020	73.55	73.40
Board Meeting Date 21st September, 2020	70.75	71.40
1 Trading Day Post-Board Meeting 22nd September, 2020	77.85	77.80

Source: www.nseindia.com and www.bseindia.com

10. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

10.1. The capital structure of the Company as on the date of this Public Announcement, i.e., 22nd September, 2020, and the indicative capital structure of the Company post the completion of the Buyback is set forth below :

Particulars	(As on the date of this Public Announcement) (In Rs.)	(Post completion of the Buyback)* (In Rs.)
Authorised share capital: 11,12,50,000 Equity Shares of Rs.2/- each	22,25,00,000	22,25,00,000
Issued share capital 7,23,00,220 Equity Shares of Rs.2/-each	14,46,00,440	13,12,67,107
Subscribed and fully paid up Capital 7,22,96,365 Equity Shares of Rs.2/-each	14,45,92,790	13,12,59,457

\*Note: Assuming that the indicative Maximum Buyback Shares are bought back. However, the post Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

10.2. As on the date of this Public Announcement, there are no Equity Shares which are partly paid-up, or with call in-arrears and there are no outstanding instruments convertible into Equity Shares.

10.3. The shareholding pattern of the Company as on 21st September, 2020 (pre-Buyback) and the proposed share holding pattern of the Company post the completion of the Buyback is given below :

Shareholder	Pre-Buyback		Post Buyback #	
	No. of Equity Shares	% of Equity Shares	No. of Equity Shares	% of Equity Shares
(A) Promoter & Promoter Group	3,89,72,819	53.91	3,89,72,819	59.38
(B) Public	3,33,23,576	46.09	2,66,56,909	40.62
(C1) Shares underlying DRs	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-
(C) Non-Promoter -Non-Public	-	-	-	-
Grand Total (A+B+C)	7,22,96,395	100.00	6,56,29,728	100.00

# Assuming the Company buys back the Maximum Buyback Shares. However, the shareholding post completion of the Buyback may differ depending upon the actual number of Equity Shares bought back in the Buyback.

10.4. As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall