Placement Document
Not for Circulation
Private and Confidential
Serial No. [●]

HSIL LIMITED

Incorporated in the Republic of India as a company under the Companies Act, 1956 with corporate identification number L51433WB1960PLC024539. Registered Office : 2, Red Cross Place, Kolkata-700 001 and Corporate Office: 301-302, IIIrd Floor, Park Centra, Sector- 30, National Highway-8, Gurgaon-122001, Haryana. Telephone: +91 124 4779200; Fax: +91 124 4292898/99, email: project.superbrand@hindware.co.in; website: www.hindwarehomes.com

HSIL Limited ("**our Company"** or the **"Issuer")** is issuing up to 6,250,000 equity shares of face value of Rs. 2 each ("**Equity Shares**") at a price of Rs. 400 per Equity Share, including a premium of Rs. 398 per Equity Share, aggregating to Rs. 2,500 million ("**Issue**").

ISSUE IN THE RELIANCE UPON SECTIONS 42 AND 62 OF THE COMPANIES ACT, 2013 AND CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS").

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO QUALIFIED INSTITUTIONAL BUYERS ("QIB") AS DEFINED IN SEBI ICDR REGULATIONS IN RELIANCE UPON CHAPTER VIII OF SEBI ICDR REGULATIONS, AS AMENDED AND SECTION 42 OF THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN QIB. THIS PLACEMENT DOCUMENT WILL BE CIRULATED ONLY TO SUCH QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES.

Invitations, offers and sales of the Equity Shares shall only be made pursuant to the Preliminary Placement Document, this Placement Document, the Application Form and the Confirmation of Allocation Note. See the "Issue Procedure". The distribution of this Placement Document or the disclosure of its contents to any person, other than QIBs and persons retained by QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

Copies of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) have been delivered to the National Stock Exchange of India Limited ("**NSE**") and the BSE Limited ("**BSE**") (collectively the "**Stock Exchanges**"). This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other regulatory or listing authority and is intended only for use by QIBs. Our Company shall make the requisite filings with the Registrar of Companies, West Bengal at Kolkata ("**RoC**") and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The Issue is meant only for QIBs by way of a private placement and is not an offer to the public or to any other class of investors.

The Placement Document does not constitute a public offer to any person to purchase the Equity Shares of our Company. This Placement Document is not an offer to sell securities, and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale is not permitted.

INVESTMENTS IN THE EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENTS. PROSPECTIVE INVESTORS ARE ADVISED TO READ THE "RISK FACTORS" CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISORS ABOUT THE PARTICULAR CONSEQUENCES TO IT OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

The information on our Company's website or any website directly or indirectly linked to our Company's website does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

Our Company's Equity Shares are listed on the Stock Exchanges. The closing price of the outstanding Equity Shares on the BSE and the NSE on March 11, 2015 was Rs. 408.10 and Rs. 406.95 per Equity Share, respectively. In-principle approvals under Clause 24(a) of the Listing Agreement for listing of the Equity Shares have been received from the BSE and NSE on March 9, 2015. Applications to the Stock Exchanges will be made for obtaining final listing and trading approvals for the Equity Shares offered through this Placement Document. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of our business or the Equity Shares.

YOU MAY NOT BE AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

THIS PLACEMENT DOCUMENT HAS BEEN PREPARED BY OUR COMPANY SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES DESCRIBED IN THIS PLACEMENT DOCUMENT.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the ''**U.S. Securities Act'**') and unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U. S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales occur. For further information, see section "Selling Restrictions" on page 138 and "Transfer Restrictions" on page 143.

GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS

ICICI Securities   kotak® Investment Banking

This Placement Document is dated March 12, 2015.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and the Equity Shares that is material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

The Global Coordinators and Book Running Lead Managers ("**GC-BRLMs**") have not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the GC-BRLMs nor any of their respective affiliates including any of their respective members, directors, officers, employees, legal counsels, representatives, or agents make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the GC-BRLMs or any of their respective members, directors, officers, employees, counsel, representatives, agents or affiliates, as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the issue of Equity Shares or their distribution. Each person receiving this Placement Document acknowledges that such person has not relied on the GC-BRLMs or any of their respective affiliates including any of their respective members, directors, officers, employees, counsel, representatives, agents or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares issued pursuant to this Issue. Prospective investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or by or on behalf of the GC-BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offense in other jurisdictions.

The Equity Shares in the Issue have not been and will not be registered under the U.S Securities Act, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been recommended by any foreign federal or state securities commission or regulatory authority. The distribution of this Placement Document and the issuance of Equity Shares pursuant to this Issue may be restricted by law in certain jurisdictions. As such, this Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by us or the GC-BRLMs which would permit an Issue of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue related materials in connection with the Equity Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will be in compliance with any applicable rules and regulations of any such country or jurisdiction. The Equity Shares are transferable only in accordance with the restrictions described in the section titled "Selling Restrictions". All purchasers will be required to make the applicable representations set forth in the section titled "Transfer

Restrictions".

The information contained in this Placement Document has been provided by our Company and other sources identified herein. Distribution of this Placement Document to any person other than the investor specified by the GC-BRLMs or their representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither we nor any of the GC-BRLMs are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations.

Each such investor, subscriber or purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Equity Shares under Indian law, including Chapter VIII of the SEBI ICDR Regulations and is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including Equity Shares. Each purchaser of Equity Shares in this Issue also acknowledges that it has been afforded an opportunity to request from us and has reviewed information relating to us and the Equity Shares.

The information on our website, www.hindwarehomes.com or on the respective websites of the GC-BRLMs or their respective affiliates does not constitute or form a part of this Placement Document. Prospective investors should not rely on the information contained in, or available through, any such websites. This Placement Document contains a summary of some terms of certain documents which are qualified in their entirety by the terms and conditions of those documents.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to this Issue (in consultation with the GC-BRLMs or their representatives) and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited.

Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the prospective investors in this Issue. By bidding for and subscribing to any of the Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to us and the GC-BRLMs as follows:

(a) you (i) are an eligible QIB as defined hereinafter and are not excluded as an eligible investor in the Issue pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations; (ii) have a valid and existing registration under applicable laws of India (as applicable); and (iii) undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you for the purposes of your business in accordance with Chapter VIII of the SEBI ICDR Regulations and undertake to comply with the SEBI Regulations, the Companies Act, 2013 and the Companies Act, 1956 to the extent applicable, and all other applicable laws, including in respect of reporting requirements, if any;

(b) if you are not a resident of India, (i) you are an eligible QIB, (ii) you are a an FPI including an FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) and (iii) have a valid and existing registration with SEBI under the applicable laws in India and are investing in this Issue and will make all necessary filings with the appropriate regulatory authorities including with the RBI, as required, pursuant to applicable laws;

(c) that you are eligible to invest in India under applicable laws, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and any notification, circulars or clarification issued thereunder, and have not been prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities;

(d) if you are Allotted Equity Shares pursuant to this Issue, you shall not, for a period of one year from the date of Allotment (hereinafter defined), sell the Equity Shares so acquired except on the Stock Exchanges. Additional restrictions apply if you are within the United States, please see "Selling Restrictions" and "Transfer Restrictions";

(e) you are aware that this Placement Document has not been, and will not be, registered as a prospectus under the Companies Act, 2013 as amended ("**Companies Act**"), and the SEBI ICDR Regulations or under any other law in force in India. Further, you are aware that, this Placement Document has not been reviewed or affirmed by SEBI, RBI or the Stock Exchanges or any other regulatory or listing authority and is intended for use only by QIBs. The Preliminary Placement Document and this Placement Document has been filed with the Stock Exchanges for record purposes only and has been displayed on the websites of our Company and the Stock Exchanges;

(f) you are entitled to acquire/subscribe for the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required there under and complied with all necessary formalities and have obtained all necessary consents and authorities to enable you to commit to participation in this Issue and to perform your obligations in relation thereto (including, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

(g) neither we nor the GC-BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates is making any recommendation to you or, advising you regarding the suitability of any transactions it may enter into in connection with this Issue; your participation in this Issue is on the basis that you are not, and will not, up to Allotment, be a client of any of the GC-BRLMs and that neither the GC-BRLMs nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duty or responsibilities to you for providing the protection afforded to their clients or customers for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

(h) you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by us or our agents ("**Company Presentations**") with regard to us or this Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the GC- BRLMs may not have knowledge of the statements that we or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the GC-BRLMs has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material information that was not publicly available;

(i) you are aware and understand that the Equity Shares are being offered only to eligible QIBs and are not being offered to the general public and the allotment of the Equity Shares shall be on a discretionary basis at the discretion of our Company in consultation with the GC-BRLMs;

(j) you have made, or been deemed to have made, as applicable, the representations set forth in "Selling Restrictions" and "Transfer Restrictions";

(k) you have been provided a serially numbered copy of the Preliminary Placement Document and have read the Preliminary Placement Document in its entirety including, in particular "Risk Factors";

(l) that in making your investment decision (i) you have relied on your own examination of our Company on a standalone and consolidated basis and the terms of this Issue, including the merits and risks involved; (ii) you have made your own assessment of our Company, the Equity Shares and the terms of this Issue based solely on the information contained in the Preliminary Placement Document and the Placement Document and no other representation by us or any other party; (iii) you have consulted your own independent advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) you have relied solely on the information contained in the Preliminary Placement Document and the Placement Document and no other disclosure or representation by us or any other party; (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares; (vi) relied upon your investigation and resources in deciding to invest in this Issue. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to resale or distribution;

(m) You are a sophisticated investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to us, the GC-BRLMs or their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

(n) Neither the GC-BRLMs nor any of their shareholders, investors, officers, employees, counsel, agents, representatives or affiliates has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership or disposal of the Equity Shares (including, but not limited, to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the GC-BRLMs or any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates when evaluating the tax consequences of the Equity Shares (including, but not limited to, this Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against us, the GC-BRLMs or any of its shareholders, investors, officers, employees, counsel, agents, representatives or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

(o) that where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

(p) You agree and acknowledge that in terms of Section 42(7) of the Companies Act, 2013, we shall file the list of QIBs (to whom the Preliminary Placement Document has been circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and other filings required under the Companies Act, 2013;

(q) you are not a 'Promoter' of our Company, as defined under the SEBI ICDR Regulations and are not a person related to the Promoter or to group companies of the Promoter, either directly or indirectly and your Bid does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter of our Company or to group companies of the Promoter of our Company;

(r) you have no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than such rights acquired, if any, in the capacity of a lender not holding any Equity Shares of our Company, the acquisition of which shall not deem you to be a Promoter;

(s) you have no right to withdraw your Bid after the Issue Closing Date;

(t) you are eligible to Bid and hold the Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding upon this Issue of the Equity Shares shall not exceed the level permissible as per any applicable regulations;

(u) the Bid submitted by you would not eventually result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Code**");

(v) your aggregate holding, together with other QIBs participating in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the present Issue, shall not exceed 50% of this Issue. For the purposes of this representation:

    (a) the expression "**belongs to the same group**" shall be interpreted by applying the concept of "**companies under the same group**" as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

    (b) "**Control**" shall have the same meaning as is assigned to it under Regulation 2 (i)(e)of the Takeover Code;

(w) you shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for the Equity Shares are issued by the BSE and the NSE;

(x) you are aware that the pre and post issue shareholding pattern of our Company in the format prescribed in clause 35 of the Listing Agreements will be filed by our Company with the Stock Exchanges, and that if you are Allotted more than 5.0% of the Equity Shares in this Issue, we shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosure being made by us;

(y) you are aware that our Company shall make necessary filings with the RoC pursuant to the Allotment (which shall include certain details such as your name, address and number of Equity Shares Allotted) and if the Allotment of Equity Shares in the Issue results in you being one of the top ten shareholders of our Company, we shall also be required to disclose your name and shareholding details to the RoC within 15 days of Allotment, and you consent to such disclosure being made by us;

(z) you are aware that (i) applications for in-principle approval, in terms of Clause 24(a) of the Listing Agreements, for listing and admission of the Equity Shares and for trading on the BSE and NSE, were made and an approval has been received from BSE and NSE, and (ii) the applications for the final listing and trading approvals will be made only after Allotment. There can be no assurance that the final approvals for listing and trading in the Equity Shares will be obtained in time or at all. We shall not be responsible for any delay or non-receipt of such final approvals for listing and trading or any loss arising from such delay or non-receipt:

(aa) you are aware and understand that the GC-BRLMs will have entered into a placement agreement with our Company (“**Placement Agreement**”) whereby the GC-BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken severally and not jointly to use their reasonable endeavours to procure subscriptions for the Equity Shares on terms and conditions set forth herein;

(bb) that the contents of this Placement Document are our exclusive responsibility and that neither the GC-BRLMs nor any person acting on their behalf, nor any of their respective shareholder, directors, officers, employees, counsels, advisors, representatives, agents or affiliates has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of us and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in this Issue, you agree and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of either of the GC-BRLMs or us or any other person and neither the GC-BRLMs, nor we or our respective directors, officers, employees, counsels, advisors, representatives, agents or affiliates or any other person will be liable for your decision to participate in this Issue based on any other information, representation, warranty or statement that you may have obtained or received;

(cc) that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares, is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of this Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by GC-BRLMs (including any view, statement, opinion or representation expressed in any research published or distributed by any of the GC-BRLMs or its affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of any of the GC-BRLMs or its respective affiliates) or our Company or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates and neither the GC-BRLMs nor our Company or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

(dd) you understand that neither the GC-BRLMs no their affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by us of any of our obligations or any breach of any representations or warranties by us, whether to you or otherwise;

(ee) you agree to indemnify and hold us and the GC-BRLMs and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements and agreements made by you in this Placement Document including in this section and “Selling Restrictions” and “Transfer Restrictions”. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

(ff) that each of the representations, warranties, acknowledgements and agreements set forth above shall continue to be true and accurate at all times up to and including the Allotment and listing and trading of the Equity Shares on the Stock Exchanges;

(gg) that we, the GC-BRLMs, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to the GC-BRLMs on their own behalf and on behalf of us and are irrevocable;

(hh) that you are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investment matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

(ii) any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Kolkata, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document.

(jj) You understand that the Equity Shares have not been and will not be registered under the Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For more information see "Selling Restrictions" and "Transfer Restrictions" on page 138 and 143;

(kk) you are, at the time the Equity Shares are purchased pursuant to Regulation S, located outside of the United States (within the meaning of Regulation S) and you are not an affiliate of our Company, or a person acting on behalf of an affiliate;

(ll) you are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

OFF-SHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI (FPI) Regulations, an FPI (other than a Category III FPI and unregulated broad based funds which are classified as FPI by virtue of their investment manager being appropriately regulated), including the affiliates of the GC-BRLMs, may issue, subscribe or otherwise deal in offshore derivative instruments as defined under the SEBI (FPI) Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying (all such offshore derivative instruments are referred to herein as **"P-Notes"**) for which they may receive compensation from the purchasers of such P-Notes, listed or proposed to be listed on any recognized stock exchange in India only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation or establishment subject to compliance with "know your client" requirements. An FPI shall also ensure that further issue or transfer of any instrument referred to above issued by or on behalf of it, is made only to persons who are regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claim on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company and the GC-BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the GC-BRLMs and do not constitute any obligations of, or claims on, the GC-BRLMs. FPI affiliates (other than Category III FPI and unregulated broad based funds which are classified as FPI by virtue of their investment manager being appropriately regulated) of the GC-BRLMs may purchase, to the extent permissible under law, Equity Shares in this Issue, and may issue P-Notes in respect thereof. Affiliates of the GC-BRLMs which are FPIs may purchase, to the extent permitted by applicable laws, the Equity Shares in the Issue and any P-Notes thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; and

3. take any responsibility for the financial or other soundness of this Company, its management or any scheme or project of this Company.

It should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER DATA

In this Placement Document, unless the context otherwise indicates or implies references to:

- "you" "your", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors of the Equity Shares issued pursuant to this Issue.

- "we" "us" and "our" refer to HSIL Limited along with its Subsidiaries on a consolidated basis; and unless otherwise specified "our Company" refers to HSIL Limited on a standalone basis.

References in this Placement Document to "India" are to the Republic of India and the "Government" or the "Central Government" or the "State Government" are to the Government of India, Central or State, as applicable. In this Placement Document, references to "USD" and "U.S. Dollars" are to the legal currency of the United States and references to "₹", "Rs." and "Rupees" are to the legal currency of the Republic of India. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions, and all references to "India" are to the Republic of India and its territories and possessions.

Financial Data

Our Company publishes its financial statements in Indian Rupees. Our Company prepares its financial statements in accordance with Indian Generally Accepted Accounting Principles ("**Indian GAAP**"). Indian GAAP differs in certain respects from International Financial Reporting Standards ("**IFRS**") and U.S. Generally Accepted Accounting Principles ("**U.S. GAAP**"). We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP. We also do not provide a summary of differences between Indian GAAP, IFRS and U.S. GAAP. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited and we urge you to consult your own advisors regarding such differences and their impact on the financial data.

In this Placement Document, certain monetary thresholds have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Unless stated otherwise, the financial data in this Placement Document is derived from our consolidated financial statements. Our fiscal year commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular "fiscal year" or "Fiscal" or "Financial Year" are to the 12 month period ended on March 31 of that year. Our reformatted consolidated financial statements for the financial years ended March 31, 2014, 2013 and 2012 ("**Reformatted Consolidated Financial Statements**") and our unaudited interim condensed standalone financial statements for the six months ended September 30, 2014 subjected to a limited review by our statutory auditors ("**Unaudited Interim Condensed Standalone September Financial Statements**") are included in this Placement Document.

Our statutory auditors have also conducted a limited review of our unaudited standalone financial information as of and for the quarter and nine months ended December 31, 2014 and 2013 (the "**Statement of Unaudited Financial Results**") presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges. The Statement of Unaudited Financial Results is also included in this Placement Document. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments" on page 86.

The Interim Condensed September Financial Statements and the Statement of Unaudited Financial Results included in this Placement Document are presented on a standalone basis and are therefore not comparable to the Reformatted Consolidated Financial Statements. In addition, the presentation of the Statement of Unaudited Financial Results, which are presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges, may not be comparable to the presentation of the Interim Condensed September Financial Statements or the Reformatted Consolidated Financial Statements.

The Reformatted Consolidated Financial Statements, the Interim Condensed September Financial Statements and the Statement of Unaudited Financial Results are collectively referred to herein as the ("**Financial Statements**").

References to "lakhs" and "crores" in this Placement Document are to the following:

- one lakh represents 100,000 (one hundred thousand);
- ten lakhs represents 1,000,000 (one million);
- one crore represents 10,000,000 (ten million);
- ten crores represents 100,000,000 (one hundred million); and
- one hundred crores represent 1,000,000,000 (one thousand million or one billion).

MARKET AND INDUSTRY DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which our Company competes. The statistical information included in this Placement Document has been reproduced from various trade, industry and government publications and websites.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Industry publications generally state that the information they generally contain has been obtained from sources believed to be reliable but that the accuracy and completeness of the information is not guaranteed.

Neither we nor the GC-BRLMs has independently verified this data and neither we nor the GC-BRLMs make any representation regarding the accuracy or completeness of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent source and we cannot assure potential investors as to their accuracy. Similarly, internal estimates and surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither our Company nor the GC-BRLMs make any representation as to the accuracy and completeness of information based on trade, industry and government publications and websites, data reports compiled by government bodies, professional organisations and analysts, or from other external sources.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

All statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- general, political, social and economic conditions in India and elsewhere;
- our ability to manage growth effectively;
- volatility in cost of raw materials;
- loss, shutdown or slowdown of operations;
- our ability to compete effectively;
- significant dependence on dealers or customers;
- performance of the various industries in which our building products and packaging products are used;
- capacity utilization and operating efficiencies;
- interest rates;
- competition;
- changes in laws and regulations and governmental policies; and
- our dependence on, and ability to retain, our senior management team.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed under "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a company incorporated under the laws of India. The Board of Directors of our Company comprises of 9 Directors all of them are Indian citizens except Dr. Rainer Siegfried Simon who is a German citizen. All of our key managerial personnel are residents of India and the majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under section 13 and section 44A of the Code of Civil Procedure, 1908 (“**Civil Code”**).

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except:

(a) where it has not been pronounced by a court of competent jurisdiction;
(b) where it has not been given on the merits of the case;
(c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
(d) where the proceedings in which the judgment was obtained were opposed to natural justice;
(e) where it has been obtained by fraud; or
(f) where it sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code can be enforced in India (i) by instituting execution proceedings; or (ii) by instituting a suit on such judgment. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by the relevant court in India. Under the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of section 44A of the Civil Code but the United States has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment and not on the date of the payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (Rs. per US$), for the periods indicated. The exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On March 11, 2015, the exchange rate (RBI reference rate) was Rs. 62.75 to US$ 1.

	Period end	Average(1)	High	Low
Financial Year:				(Rs. per US$)
2014	60.10	60.50	68.36	53.74
2013	54.39	54.45	57.22	50.56
2012	51.16	47.95	54.24	43.95
Quarter ended:				
December 31, 2014	63.33	62.00	63.75	61.04
September 30, 2014	61.61	60.59	61.61	59.72
June 30, 2014	60.09	59.77	61.12	58.43
March 31, 2014	60.10	61.79	62.99	60.10
Month ended:				
February 28, 2015	61.79	62.04	62.43	61.68
January 31, 2015	61.76	62.23	63.45	61.41
December 31, 2014	63.33	62.75	63.75	61.85
November 30, 2014	61.97	61.70	62.10	61.39
October 31 2014	61.41	61.34	61.75	61.04
September 30, 2014	61.61	60.86	61.61	60.26

(1) Average of the official rate for each working day of the relevant period.
(Source: www.rbi.org.in)

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments thereto, from time to time.

All reference to "We" "us" and "our" refer to HSIL Limited along with its Subsidiaries on a consolidated basis; and unless otherwise specified "our Company" and "the Company" refers to HSIL Limited on a standalone basis.

Definitions and Abbreviations

Term	Description
"Act" or "Companies Act"	The Companies Act, 1956 and/or the Companies Act, 2013, as applicable
"AGM"	Annual General Meeting
"AIF(s)"	Alternative investment funds, registered with SEBI as defined under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
"Allocated /Allocation"	The allocation of Equity Shares in consultation with the GC-BRLMs following the determination of the Issue Price to QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VIII of the SEBI ICDR Regulations
"Allotment/Allotted"	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to this Issue
"Allottee(s)"	Bidders who are Allotted Equity Shares pursuant to this Issue
"Application Form"	The form (including any revisions thereof) pursuant to which a Bidder shall submit a Bid in the Issue
"Articles" or "Articles of Association"	The articles of association of our Company, as amended from time to time
"AS"	Accounting standards issued under the Companies (Accounting Standards) Rules, 2006 by the Institute of Chartered Accountants of India
"Associates"	With reference to any company, the associate of that company would mean any other company within the meaning of section 2(6) of the Companies Act.
"Auditors"	The statutory auditors of our Company, Walker Chandiok & Co LLP, Chartered Accountants
"Bid"	An indication of interest by a QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue
"Bidder"	A QIB who have made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
"Bidding Period"/ "Issue Period"	The period between the Issue Opening Date and Issue Closing Date inclusive of both dates during which Bidders can submit their Bids
"Board of Directors" or "Board"	The Board of Directors of our Company, or a duly constituted committee thereof
"BOLT"	BSE On-Line Trading
"BSE"	BSE Limited
"CAN/Confirmation of Allocation Note"	Note or advice or intimation to QIBs confirming the allocation of Equity Shares to such QIBs after determination of the Issue Price, and requiring such Bidders to pay the entire Issue Price for all the Equity Shares Allocated to such Bidders
"CAGR"	Compounded Annual Growth Rate
"Category III foreign portfolio investor(s)"	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI (FPI) Regulations
"CCI"	Competition Commission of India

Term	Description
"CDSL"	Central Depository Services (India) Limited
"CIN"	Corporate Identification Number
"Closing Date"	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e. on or about March 16, 2015
"Depositories Act"	The Depositories Act, 1996, as amended from time to time
"Depository"	A body corporate registered under SEBI (Depositories and Participant) Regulations, 1996, as amended
"Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottee's demat account, as applicable to the relevant Allottee.
"DIN"	Director Identification Number
"DP / Depository Participant"	A depository participant as defined under the Depositories Act
"DIPP"	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
"Director(s)"	Director(s) of our Company, unless otherwise specified
"EGM"	Extraordinary General Meeting
"Equity Shares"	The equity shares of face value Rs. 2 each of our Company
"Escrow Account"	The account titled 'HSIL Limited – QIP Escrow Account' to be opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited.
"Escrow Bank"/ "Escrow Agent"	Kotak Mahindra Bank Limited
"Escrow Agreement"	Agreement dated March 9, 2015, entered into amongst our Company, the Escrow Agent and the GC-BRLMs
"Expert"	Our statutory Auditor, Walker Chandiok & Co LLP in relation to the Reformatted Consolidated Financial Statements, Interim Condensed September Financial Statements and Statement of Unaudited Financial Results ("Auditor's Reports") provided by the Auditors and included in this Placement Document. The Auditors have provided their written consent for the inclusion of Auditor's Reports in this Placement Document and for being named as an expert.
"FDI"	Foreign Direct Investment
"FEMA"	Foreign Exchange Management Act, 1999 of India, as amended, and the regulations framed thereunder
"FEMA 20"	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
"Foreign Portfolio Investor(s)/ FPI(s)"	Foreign portfolio investors as defined under the SEBI (FPI) Regulations and includes persons who have been registered under the SEBI (FPI) Regulations. Any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a Foreign Portfolio Investor till the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations
"Form PAS-IV"	Form of private placement offer letter as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
"Financial year" / "Fiscal Year"	A period of 12 months ending March 31, unless otherwise stated
"Floor Price"	The floor price of Rs. 412.53 per Equity Share, which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. Our Company has offered a discount of Rs. 12.53 on the Floor Price of Rs. 412.53 in terms of Regulation 85 of the SEBI ICDR Regulations.
"FVCI"	Foreign venture capital investors, registered with SEBI as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
"GDP"	Gross Domestic Product

Term	Description
"GC- BRLMs"	ICICI Securities Limited and Kotak Mahindra Capital Company Limited.
"GoI" or "Government"	Government of India, unless otherwise specified
"ICAI"	The Institute of Chartered Accountants of India
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board
"Income Tax Act" or "IT Act"	The Income Tax Act, 1961, as amended from time to time
"Insider Trading Regulations"	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as applicable
"Indian GAAP"	Generally accepted accounting principles in India
"Issue"	The offer and issue of up to 6,250,000 Equity Shares each at a price of Rs. 400 per Equity Share, including a premium of Rs. 398 per Equity Share, aggregating Rs. 2,500 million pursuant to chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013.
"Issue Closing Date"	March 12, 2015, the last date up to which the Application Forms shall be accepted by our Company (or the GC-BRLMs, on behalf of our Company)
"Issue Opening Date"	March 9, 2015, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the GC-BRLMs, on behalf of our Company)
"Issue Price"	Rs. 400 per Equity Share
"Issue Size"	The aggregate size of the Issue, aggregating to Rs. 2,500 million
"Listing Agreements"	The agreement executed by a listed company with each of the Stock Exchanges
"Memorandum" or "Memorandum of Association"	The Memorandum of Association of our Company, as amended from time to time
"Mutual Fund"	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
"Non-Resident Indian(s) or NRI"	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations
"NSDL"	National Securities Depository Limited
"NSE"	National Stock Exchange of India Limited
"p.a."	Per annum
"PAT"	Profit After Tax
"PAN"	Permanent Account Number
"Pay-In Date"	Last date specified in the CAN for the payment of application monies by the QIBs, in the Issue
"PBT"	Profit Before Tax
"Placement Agreement"	The agreement dated March 9, 2015 between our Company and the GC-BRLMs
"Placement Document"	This Placement Document dated March 12, 2015 to be issued in accordance with Chapter VIII of the SEBI ICDR Regulations and section 42 of the Companies Act, 2013, and the rules made thereunder
"Preliminary Placement Document" or "PPD"	The Preliminary Placement Document dated March 9, 2015 issued in accordance with Chapter VIII of the SEBI ICDR Regulations and section 42 of the Companies Act, 2013, and the rules made thereunder
"Promoters and Promoter Group"	Mr. Rajendra Kumar Somany, Mr. Sandip Somany, Mrs. Sumita Somany, Ms. Divya Somany, Paco Exports Limited, Soma Investments Limited and New Delhi Industrial Promotors & Investors Limited
"QIBs" or "Qualified Institutional Buyers"	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
"RBI"	The Reserve Bank of India

Term	Description
“Registered Office”	The registered office of our Company located at, 2, Red Cross Place, Kolkata, 700 001, India.
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Date”	March 9, 2015, which is the date of the meeting wherein the Board of Directors or a duly authorised committee, decide to open the Issue
“RoC”	Registrar Of Companies, West Bengal at Kolkata
“Rs”, “Rupees”, “₹” or “Indian Rupees”	The legal currency of India
“SEBI”	The Securities and Exchange Board of India constituted under the SEBI Act
“SEBI Act”	The Securities and Exchange Board of India Act, 1992, as amended
“SEBI (FPI) Regulations”	Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, as amended
“SEBI ICDR Regulations”	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
“SENSEX”	An index of 30 constituent stocks traded on BSE representing a sample of large, liquid and representative companies
“Stock Exchanges”	The BSE and the NSE
“STT”	Securities Transaction Tax
“Subsidiaries”	Subsidiaries of our Company, as defined under section 2(87) of the Companies Act namely: HSIL Associates Limited, Hindware Home Retail Private Limited, Halis International Limited, Alchemy International Cooperatief U.A, Haas International B.V and Barwood Products Limited.
“Takeover Code”	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
“U.S. GAAP”	Generally accepted accounting principles in the U.S.
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended

Technical and Industry Terms

Term	Description
B2B	Business to Business
B2C	Business to Consumer/Business to Customer
CAGR	Compound Annual Growth Rate
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ISO	International Organisation for Standardisation
LAN	Local Area Network
MIS	Management Information Systems
OHSAS	Occupational Health and Safety Management Systems
PET	Polyethylene terephthalate
pH	Power of Hydrogen
PVC	Polyvinyl Chloride
SAP-ERP	System Application and Products – Enterprise Resource Planning
TPA	Tonne Per Annum
TPD	Tonne Per Day
WAN	Wide Area Networks

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
1.	**GENERAL INFORMATION**	
(a).	Name, address, website and other contact details of the company indicating both registered office and corporate office.	Cover page
(b).	Date of incorporation of the company.	107,180
(c.)	Business carried on by the company and its subsidiaries with the details of branches or units, if any.	73
(d.)	Brief particulars of the management of the company.	114
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Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
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SUMMARY OF OUR BUSINESS

Overview

We are one of the leading manufacturers of building products and packaging products in India. We believe that we have established a strong brand name in the building products industry and also developed strong relationships with institutional customers in the packaging products as well as building products industry. Our business operations are broadly divided into two primary business segments: the building products division (Building Products Division) and the packaging products division (Packaging Products Division). The Building Products Division primarily consists of sanitaryware, bathroom fittings, faucets, wellness products and allied traded products such as vents. The Packaging Products Division primarily consists of glass bottles, PET bottles, caps, closures and containers. In fiscal 2012, 2013 and 2014, the Building Products Division contributed 42.39%, 42.37% and 47.39%, respectively, of our total income in such periods, while the Packaging Products Division contributed 49.01%, 46.88% and 46.50%, respectively, of our total income in such periods.

Building Products Division

We believe we are one of the largest manufacturers of sanitaryware products in India. We have established our market position in the building products industry through multiple brands and a wide range of products targeted at various price segments. Our products in this division include the following building products and certain other allied products:

- *Sanitaryware.* Our sanitaryware products include water closets, wash basins, pedestals, squatting pans and urinals. Our sanitaryware products also include polyvinyl chloride (PVC) cisterns, concealed cisterns, fittings and seat covers. Our sanitaryware products are sold under various brands, namely, Queo, Hindware Italian Collection, Hindware Art, Hindware, Benelave and Raasi, targeted at different market segments.

- *Faucets.* Our faucet products include showers, kitchen faucets and bathroom faucets which are sold under the Queo, Hindware Italian Collection, Hindware and Benelave brands.

- *Kitchen appliances.* Our kitchen appliances range includes hobs, chimneys and cooktops and are sold under the Hindware brand.

- *Wellness.* Our wellness products include bath tubs, shower panels, shower enclosures and whirlpools. The wellness products are sold primarily under the Amore and Hindware brands.

- *Allied products.* Allied products include seat cover, PVC cisterns, concealed cisterns andvents.

We have four building products manufacturing facilities in India which include, two sanitaryware facilities located strategically at Bahadurgarh in Haryana and Bibinagar in Telangana, as well as, two faucet manufacturing facilities at Bhiwadi in Rajasthan and Kaharani in Rajasthan. Our institutional clients in our Building Products Division have included or include, among others, Adani Township and Real Estate Company Private Limited, Ansal Properties and Infrastructure Limited, DLF Southern Homes Private Limited, Emaar MGF Land Limited, Emami Realty Limited, Larsen & Toubro Limited, Lokhandwala Nestings Private Limited, M3M India Private Limited, NCC Limited, Omaxe Chandigarh Extension, Puravankara Projects Limited, RMZ Ecoworld Infrastructure Private Limited, Shapoorji Pallonji and Company Private Limited, TDI Infrastructure Limited, Prestige Estates Projects Limited and Vatika Limited.

We have over the years developed a large network of dealers and sub-dealers across India. As of December 31, 2014, our distribution network included approximately 3,000 dealers. As of December 31, 2014, we had also established 15 regional offices for effective distribution of our products across India. Our extensive sales and distribution network enables us to sell our building products to retail customers across India. In addition, we have more than 100 hindware galleria, and a number of hindware “shop in shops”. We also have 19 service centres and arrangements with a large number of plumbers who provide after sales service across India. We also market our building products through a number of exclusive showrooms and brand display centres across India. For example, as of December 31, 2014, we had set up three Hindware Lacasa display centres. In addition, we have also entered into various arrangements with e-commerce platforms for the sale of our building products online.

Packaging Products Division

We believe we are one of the largest manufacturers of packaging products in India including glass containers, PET bottles and specially coloured bottles. We manufacture glass containers, plastic containers, plastic caps and closures as well as specially coloured bottles for packaging beverages, food, liquor and pharmaceutical products. Our packaging products cater to institutional clients across various industries including liquor, food and beverages, chemical and pharmaceuticals sectors.

We have two glass container manufacturing facilities at Sanathnagar (Hyderabad) and Bhongir in Telangana, and two PET bottles manufacturing facilities at Selaqui in Uttarakhand and Dharwad in Karnataka. Our institutional customers in the packaging products business have included or include Abbott India Limited, Carlsberg India Private Limited, Diageo India Private Limited, Dr. Reddy Laboratories Limited, GlaxoSmithKline Pharmaceuticals Limited, Heinz India Private Limited, Hindustan Coca-Cola Beverages Private Limited, ITC Limited, Johnson and Johnson Limited, PepsiCo India Holdings Private Limited, Pfizer Limited, Radico Khaitan Limited, Ranbaxy Laboratories Limited, Reckitt Benckiser India Limited, SAB Miller India Limited, UI Beverages (P) Limited (a franchisee of Parle Agro), Unilever India Exports Limited, United Breweries Limited and United Spirits Limited.

Other Businesses

Our other businesses comprise primarily of our home interior solutions business and sale of specially designed sanitaryware for the elderly by our subsidiary in the U.K. In addition we also own two wind mills with an aggregate installed capacity of 2.5 MW. The home interior solutions business caters to both retail and institutional customers, and is established under the EVOK brand. As of December 31, 2014, the home interior solutions business had 19 retail outlets across India. In fiscal 2014, we also introduced franchisee operations focused on modular kitchens in India.

In fiscal 2012, 2013 and 2014, the other businesses division contributed 8.60%, 10.75% and 6.11%, respectively, of our total income in such periods.

We have over the years received several awards in recognition of our business and operations including the Trusted Brand – 2012 and 2013 awards from Reader's Digest in the sanitaryware category, the Power Brand - 2012 award from Planman Marcom - 360 degree Marketing Communications and the Master Brand 2012 award from CMO Asia.

In fiscal 2012, 2013 and 2014, our total income was Rs.146,789.78 lakhs, Rs.176,510.88 lakhs and Rs.186,201.88 lakhs, respectively, while our profit after tax in such periods was Rs.9,354.77 lakhs, Rs.8,204.89 lakhs and Rs.3,398.10 lakhs, respectively.

Competitive Strengths

We believe we have the following competitive strengths:

Established brand in the building products industry

We believe we have established a strong brand name in the building products industry in India, particularly for sanitaryware products. Our brand has been strengthened through delivery of quality products at competitive prices, development of a pan-India network of dealers and sub-dealers as well as intensive and strategic marketing efforts to create brand awareness among our customers. Our sustained marketing efforts have included the print, electronic and other advertisement media, exhibitions and outdoor promotions directed at retail customers, as well as training sessions and exhibitions involving our dealers and sub-dealers. We believe that the implementation of our marketing and branding strategy over the past few years have enabled us to develop a strong brand in our industry segment and is a key competitive strength that we intend to continue to leverage in executing our product diversification strategy.

Diversified building product offerings across different price segments

We offer a wide range of building products across different price segments which are used in domestic and commercial applications. Our range of building products allows us to effectively address the diverse requirements of our end customers and enables our dealers and distributors to source most of their building products requirements from a single source. We have over the years leveraged our product design, development and manufacturing capabilities to develop a diversified range of sanitaryware, faucets and wellness products across various price segments. In addition, we leverage our extensive distribution network to identify and meet the requirements of various sections of the market and the customer demands and preferences in major cities as well as in tier II or tier III cities and towns. Our various categories and brands include luxury brands such as Queo, Amore, Hindware Italian Collection, premium products under Hindware Art and mass or standard products under the Hindware, Benelave and Raasi brands.

Extensive distribution network for our building products

We have established an extensive distribution network across India for our building products which included approximately 3,000 dealers as of December 31, 2014. We have also set up 15 regional offices across India for effective distribution of our products. Our extensive sales and distribution network enables us to sell our building products to retail customers across India. In addition, as of December 31, 2014, we had more than 100 hindware galleria, and a number of hindware "shop in shops". We also have 19 service centres and arrangements with a large number of plumbers across India for such services. We also market our building products through exclusive showrooms and brand display centres across India. As of December 31, 2014, we had set up 3 Hindware Lacasa display centres. We have also entered into arrangements with various e-commerce platforms for the sale of our building products online. We believe that our dealership network, strategic location of our manufacturing facilities and proximity to dealers and markets enable us to minimise delivery schedules and transportation expenses as well as provide effective customer service.

Strong relationships with institutional customers in our packaging products business

We maintain strong relationships with institutional customers, particularly in the Packaging Products Division. We offer a wide range of packaging products such as glass containers, PET bottles, caps, closures, containers and specially coloured bottles of various shapes and sizes which cater to a diverse portfolio of customers for packaging beverages, food, liquor and pharmaceutical products. We believe that our product development initiatives have enabled us to establish strong relationships with customers. Our quality standards and varied range of packaging products also enable us to effectively address the requirements of our customers across different industries and develop and maintain our relationships with such institutional customers. Our institutional customers in the Packaging Products Division have included or include Abbott India Limited, Carlsberg India Private Limited, Diageo India Private Limited, Dr. Reddy Laboratories Limited, GlaxoSmithKline Pharmaceuticals Limited, Heinz India Private Limited, Hindustan Coca-Cola Beverages Private Limited, ITC Limited, Johnson and Johnson Limited, PepsiCo India Holdings Private Limited, Pfizer Limited, Radico Khaitan Limited, Ranbaxy Laboratories Limited, Reckitt Benckiser India Limited, SAB Miller India Limited, UI Beverages (P) Limited (a franchisee of Parle Agro), Unilever India Exports Limited, United Breweries Limited and United Spirits Limited.

Strategically located manufacturing facilities

Our manufacturing facilities for building products as well as packaging products are strategically located so as to serve major markets. We have four building products manufacturing facilities in India which include, two sanitaryware facilities located strategically at Bahadurgarh in Haryana and Bibinagar in Telangana, as well as, two faucet manufacturing facilities at Bhiwadi in Rajasthan and Kaharani in Rajasthan. In addition, we have two glass container manufacturing facilities at Sanathnagar and Bhongir in Telangana, and two PET bottles manufacturing facilities at Selaqui in Uttarakhand and Dharwad in Karnataka. Through such manufacturing facilities located across India, we benefit from access to markets in north India through the Bahadurgarh facility in Haryana, Bhiwadi and Kaharani facilities in Rajasthan, and Selaqui facility in Uttarakhand, and in south India through our Bibinagar, Bhongir and Sanathnagar facilities in Telangana and the Dharwad facility in Karnataka. Our manufacturing facilities are generally located in proximity to our raw material sources, thereby enabling us to reduce transportation costs of raw materials. For example, the Bahadurgarh facility in Haryana procures raw material for sanitaryware products from nearby mines. Our glass container manufacturing facilities located in Telangana caters to the various alcoholic beverage and other bottling operations located in nearby regions.

Extensive product development capabilities

We have over the years strengthened our product development capabilities in our building products business, focused on introduction of new green building products, modifying our range of products for local applications as well as improving cost and operational efficiencies. We have a research and development team that focuses on developing cost-effective alternative raw materials, improving our manufacturing processes and ensure quality standards for our products. We also focus on direct sourcing of raw materials at competitive prices. We also continue to ensure ongoing improvements in our product development and manufacturing process to ensure reduced process wastages and improve operating efficiencies.

Stringent quality standards

We have developed stringent quality assurance processes to enhance our product quality. Our products undergo a series of quality tests and checks that enable us to ensure lower rejection rates and minimal customer complaints. We have also received various awards associated with our quality standards. For instance, we have received IAMPO certifications for 13 sanitaryware products as a recognition of their water efficiency. In addition, as a result of our quality assurance efforts our Bahadurgarh facility has received ISO 14001:2004, OHSAS 18001:2007 and ISO 9001:2008 certifications in relation to the manufacturing and sale of vitreous china sanitaryware. We believe that our stringent manufacturing standards and quality products also enable us to develop strong relationships with our dealers, distributors and the end consumer of our products. Our building products involve advanced technologies, processes and manufacturing know-how. For example, we have entered into a technical support agreement with Neue Glaswerke GroBreitenbach GmbH & Co. KG, Germany (Weigand Glas) in relation to certain products. The agreement provides access to AGI Glaspac to the technical know-how of Weigland Glas in relation to issues relating to batch house, furnaces, production processes, cold-end inspection and packaging for the plant in Hyderabad.

Experienced management team

We believe that our qualified and experienced management team provides us significant competitive advantage and enables us to function effectively and efficiently. Our Chairman and Managing Director, Mr. Rajendra Kumar Somany has several years of experience in the building products industry especially in sanitaryware products industry. He is supported by our Joint Managing Director, Mr. Sandip Somany, together with an experienced management team with experience in manufacturing of building products and packaging products, supply chain management, finance, marketing, sales, research and development. We believe that our effective senior management team enables us not only to conceptualize and develop new products but also effectively market such products in India.

Business Strategies

Continue to expand our distributor and customer base

We intend to grow our business by adding new dealers and customers in existing and new markets. We also undertake sale of certain building products online through our arrangements with certain e-commerce platforms. In addition, we also intend to leverage our distribution network and existing relationships to increase our network. We believe that our strong marketing capabilities, wide distribution network and established relationships with our existing dealers and customers as well as our wide range of building product offerings at various price segments will enable us to expand our dealer and customer base. We also aim to strengthen relationships with beverage companies by increasing our capabilities in providing products of different shapes, sizes and colours. We believe that our dealer and customer focused services, as well as our range of building products at various price segments, will continue to differentiate us from our competitors and help enhance our dealer and customer base.

Continue to focus on improved operational efficiencies and increased cost competitiveness

We continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs and invest in modern technology and equipment to upgrade the quality and functionality of our products to address changing industry trends and consumer requirements. We continue to adopt best practices and standards across our manufacturing facilities, and increase operating efficiencies through product planning, increasing utilization rates and reducing the unit cost of production. We continue to target economies of scale to gain increased negotiating power on procurements and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions. For instance, we will continue to employ cost effective manufacturing strategies such as use of alternate fuel such as pet coke to fire the glass furnace. We will also continue to engage in contract manufacturing of certain products to ensure cost efficiencies.

Increase manufacturing capacity

We intend to further increase our manufacturing capacities for building products as well as packaging products, targeted at increasing our market share across India. We believe that increasing capacity of strategically located manufacturing facilities or addition of new facilities to serve existing as well as new markets will enable us to reduce transportation expenses and provide improved cost efficiencies for sales and expansion. In addition, we are also focused on debottlenecking of existing facilities to increase manufacturing capacities and improve operating efficiencies.

Leverage our established brand and large distribution network to introduce additional products

We intend to leverage our brand and large distribution network to market and distribute other related products. We also intend to continue to pursue strategic collaboration opportunities with reputed brands that are likely to increase our building products portfolio. In the last several years we have added additional products such as vents to our portfolio through distribution arrangements with manufacturers. For example, we have entered into a distribution agreement with Atlantic International for the distribution in India of domestic water heaters under the Hindware Atlantic brand. Similarly, we sell vents and extractor fans in India under a distribution agreement with Ventilation Systems.

Continue to offer diverse range of building products catering to different segments

We believe that we have established a strong brand and market position in the building products and packaging products industry in India, particularly for sanitaryware products. Our comprehensive range of products caters to various categories of customers and offers solutions for premium requirements as well as basic requirements. While we continue to introduce and market premium brands such as Queo and Amore, we also continue to develop the market for standard brands such as Benelave and Raasi to cater to smaller towns and cities and the growing demand for quality products for residential projects targeted at the middle income segment. We continue to introduce new building products such as faucets, wellness products and kitchen appliances, which complement our traditional range of sanitaryware products. We also continue to focus on branding and marketing initiatives through various media across India and introduce attractive marketing and packaging materials for our products to target growth opportunities across evolving product segments.

SUMMARY OF THE ISSUE

The following is the general summary of the terms of the Issue. The summary should be read in conjunction with, and is qualified in its entirety by, more detailed terms appearing in this Placement Document, including under "Risk Factors", "Use of Proceeds", "Issue Procedure" "Placement" and "Description of Shares" on pages 39, 62, 126,136 and 148, respectively.

Issuer	**HSIL Limited**
Issue Size	Up to 6,250,000 Equity Shares aggregating up to Rs. 2,500 million. A minimum of 10% of the Issue Size shall be available for Allocation to Mutual Funds only, and the balance Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allocated to other QIBs.
Face Value	Rs. 2 per Equity Share
Issue Price	Rs. 400 per Equity Share
Minimum Offer Size	Minimum value of offer or invitation to subscribe to each QIB is Rs. 20,000 of the face value of the Equity Shares
Floor Price	The floor price for the Issue calculated on the basis of Chapter VIII of the SEBI ICDR Regulations is Rs. 412.53 per Equity Share. Our Company has offered a discount of Rs. 12.53 on the Floor Price of Rs. 412.53 in terms of Regulation 85 of the SEBI ICDR Regulations.
Eligible Investors	QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1) (b) of Chapter VIII of the SEBI ICDR Regulations, who are outside of the United States acquiring Equity Shares in an offshore transaction in reliance on Regulation S, to whom the Placement Document and the Application Form is circulated. For further details, see "Issue Procedure – Qualified Institutional Buyers" on page 129.
Dividend	See "Description of Equity Shares", "Dividend Policy" and "Taxation" on pages 148, 66 and 154.
Indian Taxation	See "Taxation" on page 154.
Issue Procedure	The Issue is being made only to QIBs in reliance on Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the SEBI ICDR Regulations. See "Issue Procedure" on page 126.
Date of Board Resolutions authorizing the Issue	Board resolution dated October 29, 2014 and Corporate Affairs Committee resolutions dated March 9, 2015
Date of Shareholders Resolution authorizing the issue	December 17, 2014
Equity Shares issued and outstanding immediately prior to the issue	66,046,395 Equity Shares
Equity Shares issued and outstanding immediately after the issue	72,296,395 Equity Shares
Listing	Our Company has received in principle approvals, dated March 9, 2015 from the BSE and NSE under Clause 24(a) of the Listing Agreements. Our Company shall apply to the Stock Exchanges for the listing approvals and the final listing and trading approvals, after the Allotment and after the credit of Equity Shares to the beneficiary account with the Depository Participant, respectively.
Lock-up	Please see the sub-section titled "Lock-up" of "Placement" on page 136 for a description of restrictions on our Company and our Promoters in relation to

Issuer	HSIL Limited
	Equity Shares.
Transferability Restriction	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. For details in relation to other transfer restrictions, see "Selling Restrictions" and "Transfer Restrictions" on page 138 and 143.
Use of Proceeds	The net proceeds of the Issue, after deduction of fees, commissions and expenses in relation to the Issue, are expected to total approximately Rs. 2,442.50 million. Please see "Use of Proceeds" on page 62.
Risk Factors	Please see "Risk Factors" on page 39 for a discussion of factors that you should consider before participating in the Issue.
Pay-In Date	The last date specified in the CAN sent to the QIBs for payment of application money for the Equity Shares pursuant to this Issue
Closing Date	The Allotment is expected to be made on or about March 16, 2015
Ranking	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividends after the closing. The holders of such Equity Shares will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013. The holders of such Equity Shares may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. Please see "Description of Equity Shares" on page 148.
Voting Rights of Share Holders	See " Description of Equity Shares - Voting Rights" on page 150
Security Codes for the Equity Shares	ISIN : INE 415A 01038 BSE Code: 500187 NSE Code: HSIL

SUMMARY FINANCIAL INFORMATION

The following selected information is extracted from and should be read in conjunction with our Reformatted Consolidated Financial Statements, Interim Condensed September Financial Statements and Statement of unaudited financial results, each included elsewhere in this Placement Document. You should refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further discussion and analysis of our consolidated and standalone financial statements.

Our historical consolidated and standalone financial information included in this Placement Document does not reflect or guarantee our future operating performance.

Summary Reformatted Consolidated Balance Sheet as at March 31, 2014, 2013 and 2012

(Amount in Rs. lacs)

Particulars		As at		
		31 March 2014	31 March 2013	31 March 2012
Equity and liabilities				
Shareholders' funds				
Share capital		1,320.97	1,320.97	1,320.97
Reserves and surplus		101,508.31	101,307.84	95,418.50
	Sub-total	**102,829.28**	**102,628.81**	**96,739.47**
Non-current liabilities				
Long-term borrowings		55,242.09	58,655.56	54,178.72
Deferred tax liabilities (net)		11,540.40	11,411.55	7,817.86
Other long-term liabilities		1,543.77	1,406.61	1,299.90
Long-term provisions		466.55	443.81	347.82
	Sub-total	**68,792.81**	**71,917.53**	**63,644.30**
Current liabilities				
Short-term borrowings		39,663.22	34,665.19	24,899.69
Trade payables		15,024.49	16,216.70	12,182.20
Other current liabilities		38,341.64	29,056.57	27,563.98
Short-term provisions		2,764.63	2,511.00	2,768.20
	Sub-total	**95,793.98**	**82,449.46**	**67,414.07**
Total		**267,416.07**	**256,995.80**	**227,797.84**
Assets				
Non-current assets				
Fixed assets				
Tangible assets		148,084.45	144,516.56	113,730.54
Intangible assets		3,503.67	157.33	167.54
Capital work-in-progress		11,946.86	6,219.29	33,327.90
		163,534.98	**150,893.18**	**147,225.98**
Goodwill on consolidation		347.44	5,783.79	5,783.79
Non-current investments		1,081.74	1,078.74	1,080.58
Long-term loans and advances		5,473.31	5,335.64	6,214.37
Other non-current assets		195.76	185.92	730.66
	Sub-total	**170,633.23**	**163,277.27**	**161,035.38**
Current assets				
Current investments		4.15	4.26	31.02
Inventories		44,433.17	40,667.89	30,592.54
Trade receivables		41,916.47	38,932.73	24,396.57
Cash and bank balances		6,029.28	8,196.66	7,348.61
Short-term loans and advances		4,205.36	5,782.84	4,285.27
Other current assets		194.41	134.15	108.45
	Sub-total	**96,782.84**	**93,718.53**	**66,762.46**
Total		**267,416.07**	**256,995.80**	**227,797.84**

Summary Reformatted Consolidated Statement of Profit and Loss for the years ended March 31, 2014, 2013 and 2012

(Amount in Rs. lacs)

Particulars	For the year ended		
	31 March 2014	**31 March 2013**	**31 March 2012**
Income			
Income from operations (gross)	199,708.45	190,220.47	156,653.19
Less: Excise duty	13,887.77	14,092.98	10,371.57
Income from operations (net)	185,820.68	176,127.49	146,281.62
Other income	381.20	383.39	508.16
	186,201.88	**176,510.88**	**146,789.78**
Expenses			
Cost of raw material consumed	33,722.66	34,270.64	26,135.07
Purchase of traded goods	35,340.32	28,623.40	25,831.15
Changes in inventories of finished goods and work-in-progress	(4,310.67)	(8,615.69)	(4,559.11)
Employee benefits expense	18,843.82	18,222.26	15,906.86
Other expenses	76,893.42	77,757.03	57,985.91
	160,489.55	**150,257.64**	**121,299.88**
Net profit before depreciation and amortisation, finance costs, exceptional items and tax expense	**25,712.33**	**26,253.24**	**25,489.90**
Depreciation and amortization expense	11,011.82	9,321.25	6,506.56
Finance cost	7,177.90	6,939.07	4,195.22
Net profit before tax and exceptional items	**7,522.61**	**9,992.92**	**14,788.12**
Exceptional items	-	2,366.30	-
Net profit before tax	**7,522.61**	**12,359.22**	**14,788.12**
Tax expense			
Current tax			
- Current year	3,974.93	3,032.10	3,897.66
- Earlier years	274.88	-	18.44
MAT credit (entitlement)/utilised	-	(2,471.46)	1,490.55
Deferred tax	(125.30)	3,593.69	26.70
Net profit for the year	**3,398.10**	**8,204.89**	**9,354.77**
Earnings per equity share (Rs.)			
Basic and diluted earnings per share	**5.14**	**12.42**	**14.16**

Summary Reformatted Consolidated Statement of Cash Flows for the years ended March 31, 2014, 2013 and 2012

(Amount in Rs. lacs)

	Particulars	For the year ended		
		31 March 2014	31 March 2013	31 March 2012
A.	**Cash flow from operating activities**			
	Profit before tax	**7,522.61**	**12,359.22**	**14,788.12**
	Adjustments for:			
	Unrealised foreign exchange (gain)/loss	(11.65)	4.98	(11.21)
	Depreciation and amortisation	11,011.82	9,321.25	6,506.56
	Gain on disposal of fixed assets	(19.33)	(97.48)	(204.00)
	Loss on sale of fixed assets	29.05	4.28	16.64
	Finance cost	7,177.90	6,939.07	4,195.22
	Dividend on investments	-	(0.60)	(75.70)
	Interest income	(202.17)	(198.64)	(157.52)
	Loss on sale of current investments	-	-	24.82
	Gain on sale of current investments	(25.76)	(14.26)	(9.31)
	Profit on sale of shares held in subsidiary	-	(2,366.30)	-
	Bad debts written off and provision for doubtful debts and advances	474.68	196.21	144.18
	Sundry balances and liabilities no longer required, written back	(272.34)	(535.83)	(184.62)
	Provision for doubtful debts written back	-	-	(4.39)
	Miscellaneous expenditure written off	-	0.06	0.06
	Operating profit before working capital changes	**25,684.81**	**25,611.96**	**25,028.85**
	Adjustments for :			
	Increase in inventories	(3,765.28)	10,075.35)	(7,943.51)
	Increase in trade and other receivables	(312.06)	(12,656.55)	(7,766.88)
	(Decrease)/increase in trade and other payables	(3,792.71)	458.57	8,756.82
	Cash generated from operations	**17,814.76**	**3,338.63**	**18,075.28**
	Direct taxes paid	(1,570.00)	(3,433.94)	(3,757.35)
	Net cash flow from operating activities	**16,244.76**	**(95.31)**	**14,317.93**
B.	**Cash flow from investing activities**			
	Acquisition of fixed assets including capital work in progress	(19,246.28)	(11,602.51)	(52,852.09)
	Proceeds from sale of fixed assets	188.96	299.92	312.79
	Purchase of investments	(10,728.11)	(1,703.19)	(237.47)
	Proceeds from sale of investments	10,750.86	5,919.11	2,449.10
	Movement in other bank balances	1.97	(157.23)	(38.16)
	Interest received	176.44	160.54	165.86
	Dividend received	-	0.60	75.70
	Net cash used in investing activities	**(18,856.16)**	**(7,082.76)**	**(50,124.27)**
C.	**Cash flow from financing activities**			
	Proceeds from long-term borrowings	15,119.54	14,069.48	36,582.62

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Repayment of long-term borrowings	(10,228.65)	(6,837.48)	(8,764.60)
Movement in short-term borrowings (net)	5,074.42	9,586.96	19,016.82
Interest paid	(7,209.39)	(6,730.36)	(4,023.11)
Dividend paid	(1,972.99)	(1,969.76)	(1,642.72)
Taxes on dividend paid	(336.74)	(321.43)	(267.86)
Net cash flow from financing activities	**446.19**	**7,797.41**	**40,901.15**
Net (decrease)/increase in cash and cash equivalents	**(2,165.21)**	**619.34**	**5,094.81**
Cash and cash equivalents at the beginning of the year	7,655.47	7,036.13	1,941.32
Cash and cash equivalents at the end of the year	**5,490.26**	**7,655.47**	**7,036.13**

Note:

Cash and bank balances include:			
Cash, cheques in hand, remittances in transit and fixed deposits	4,550.97	7,172.45	6,718.71
Balances in current account with bank	939.29	483.02	317.42
Cash and cash equivalents	**5,490.26**	**7,655.47**	**7,036.13**
Held as margin money in fixed deposits	453.05	471.96	230.26
Fixed deposits with original maturity of more than 3 months but less than twelve months	10.71	2.07	26.35
Unclaimed dividend accounts	75.26	66.86	55.23
Bonus fraction 2005 account	-	-	0.34
Unclaimed share fraction account	-	0.30	0.30
Other bank balances	**539.02**	**541.19**	**312.48**
Cash and bank balances as per balance sheet	**6,029.28**	**8,196.66**	**7,348.61**

Condensed Balance Sheet as at 30 September 2014

(Amount in Rs. lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
Equity and liabilities		
Shareholders' fund		
Share capital	1,320.97	1,320.97
Reserves and surplus	113,824.39	110,826.69
	115,145.36	**112,147.66**
Non-current liabilities		
Long-term borrowings	45,358.83	54,731.89
Deferred tax liabilities (net)	11,032.44	11,540.40
Other long term liabilities	1,690.27	1,543.77
Long-term provisions	481.26	422.11
	58,562.80	**68,238.17**
Current liabilities		
Short-term borrowings	43,854.83	37,234.54
Trade payables	12,146.82	13,710.00
Other current liabilities	41,209.49	36,385.21
Short-term provisions	181.58	2,762.91
	97,392.72	**90,092.66**
Total	**271,100.88**	**270,478.49**
Assets		
Non-current assets		
Fixed assets		
Tangible assets	154,191.25	145,230.39
Intangible assets	3,144.57	3,492.71
Capital work-in-progress	3,517.42	11,930.95
	160,853.24	**160,654.05**
Non-current investments	14,389.30	13,274.00
Long-term loans and advances	4,391.38	4,980.25
Other non-current assets	139.47	169.50
	179,773.39	**179,077.80**
Current assets		
Inventories	47,448.95	40,573.00
Trade receivables	34,230.72	40,937.84
Cash and bank balances	3,649.58	5,846.90
Short-term loans and advances	5,843.70	3,848.54
Other current assets	154.54	194.41
	91,327.49	**91,400.69**
Total	**271,100.88**	**270,478.49**

Condensed Statement of Profit and Loss for six-months ended 30 September 2014

(Amount in Rs. lacs)

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Income		
Income from operations (gross)	89,613.37	81,150.57
Less: Excise duty	6,015.49	6,059.43
Income from operations (net)	83,597.88	75,091.14
Other income	232.18	221.00
	83,830.06	**75,312.14**
Expenses		
Cost of raw materials consumed	17,032.72	14,296.82
Purchases of traded goods	15,921.27	12,115.98
Changes in inventories of finished goods and work-in-progress	(4,693.45)	(6,342.16)
Employee benefits expense	9,059.93	7,778.89
Other expenses	32,155.66	37,172.41
	69,476.13	**65,021.94**
Net profit before depreciation and amortisation, finance costs and tax expense	**14,353.93**	**10,290.20**
Depreciation and amortisation expense	5,658.41	4,508.83
Finance costs	3,599.15	3,158.19
Net profit before tax	**5,096.37**	**2,623.18**
Tax expense		
Current period	1,988.37	1,239.60
Deferred tax	(297.83)	(121.36)
Net profit for the period	**3,405.83**	**1,504.94**
Earnings per equity share (Rs.)		
Basic and diluted earning per share	**5.16**	**2.28**

Condensed Statement of Cash Flow for six-months ended 30 September 2014

(Amount in Rs. lacs)

		Six months ended 30 September 2014	Six months ended 30 September 2013
A.	**Cash flow from operating activities**		
	Net profit before tax	5,096.37	2,623.18
	Adjustments for:		
	Depreciation and amortisation	5,658.41	4,508.83
	Gain on disposal of fixed assets	(5.35)	(2.97)
	Loss on disposal of fixed assets	0.58	0.14
	Finance costs	3,599.15	3,158.19
	Interest income	(180.55)	(177.47)
	Gain on sale of current investments	(1.14)	(17.93)
	Bad debts and provision for doubtful debts and advances	185.40	34.49
	Sundry balances and liabilities no longer required written back	(234.90)	(11.12)
	Operating profit before working capital changes	**14,117.97**	**10,115.34**
	Adjustments for :		
	Increase in inventories	(6,875.95)	(6,846.09)
	Decrease in trade/other receivables	4,758.42	8,463.72
	Increase in trade/other payables	1,051.54	933.45
	Cash generated from operations	**13,051.98**	**12,666.42**
	Direct taxes paid	(1,600.00)	(450.00)
	Net cash from operating activities	**11,451.98**	**12,216.42**
B.	**Cash flow from investing activities**		
	Purchase of fixed assets including capital work in progress	(4,711.76)	(7,449.96)
	Proceeds from sale of fixed assets	60.63	91.01
	Purchase of investments	(2,765.30)	(10,345.46)
	Sale proceeds of investments	1,651.14	7,507.59
	Movement in restricted cash	(47.33)	29.02
	Interest received	219.09	234.46
	Net cash used in investing activities	**(5,593.53)**	**(9,933.34)**
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	469.47	7,060.73
	Repayment of long term borrowings	(9,306.43)	(4,828.00)
	Movement in short term borrowings (net)	6,620.30	(1,139.00)
	Interest paid	(3,614.66)	(3,113.77)
	Dividend paid	(1,935.04)	(9.39)
	Taxes on dividend paid	(336.74)	-
	Net cash used in financing activities	**(8,103.10)**	**(2,029.43)**

	Six months ended 30 September 2014	Six months ended 30 September 2013
Net (decrease)/increase in cash and cash equivalents	(2,244.65)	253.65
Cash and cash equivalents at the beginning of the period	5,318.59	7,379.95
Cash and cash equivalents at the end of the period	**3,073.94**	**7,633.60**
Note:		
Cash and bank balances include		
Cash, cheques in hand, remittances in transit and fixed deposits	2,773.62	7,219.85
Balance with banks in current accounts	300.32	413.75
Cash and cash equivalents	**3,073.94**	**7,633.60**
Balances in fixed deposit accounts – pledged	454.03	454.05
Balances in unclaimed dividend accounts	121.61	57.47
Other bank balances	**575.64**	**511.52**
Cash and bank balances	**3,649.58**	**8,145.12**

Statement of Unaudited financial results

Pursuant to a meeting of its Board of Directors on January 15, 2015, our Company has adopted and filed with the Stock Exchanges on January 15, 2015, the Statement of Unaudited Financial Results in accordance with the provisions of Clause 41 of the Listing Agreement with the Stock Exchanges.

(Amount in Rs. lacs)

	Particulars	Unaudited			Unaudited		Audited
		Quarter ended			Nine months ended		Year ended
		31 December 2014	30 September 2014	31 December 2013	31 December 2014	31 December 2013	31 March 2014
1	**Income from operations**						
	Gross sales	49,523	44,374	38,904	137,964	118,788	185,571
	Less: Excise duty	3,974	2,667	2,775	9,989	8,835	13,888
	(a) Net sales/ income from operations	45,549	41,707	36,129	127,975	109,953	171,683
	(b) Other operating income	664	676	526	1,836	1,793	2,965
	Total Income from operations (net)	**46,213**	**42,383**	**36,655**	**129,811**	**111,746**	**174,648**
2	**Expenses**						
	a) Cost of materials consumed	9,019	9,230	6,716	26,052	21,013	33,528
	b) Purchases of stock-in-trade	8,263	8,280	8,187	24,184	20,303	28,867
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,246)	(4,437)	(5,226)	(6,940)	(11,568)	(4,102)
	d) Employee benefits expense	5,228	4,766	4,156	14,288	11,935	17,021
	e) Depreciation and amortization expense	3,176	2,903	2,442	8,834	6,951	10,570
	f) Power and fuel	7,248	7,603	8,679	21,697	29,027	37,702
	g) Other expenses	9,267	9,461	8,061	26,974	24,885	34,894
	Total expenses	**39,955**	**37,806**	**33,015**	**115,089**	**102,546**	**158,480**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	6,258	4,577	3,640	14,722	9,200	16,168
4	Other income	77	172	55	309	276	373
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**6,335**	**4,749**	**3,695**	**15,031**	**9,476**	**16,541**
6	Finance costs	1,959	1,889	1,793	5,558	4,951	6,789
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	4,376	2,860	1,902	9,473	4,525	9,752
8	Exceptional items	-	-	-	-	-	-
9	**Profit from ordinary activities before tax [7+8]**	**4,376**	**2,860**	**1,902**	**9,473**	**4,525**	**9,752**
10	Tax expense	1,347	953	723	3,038	1,841	4,132

	Particulars	Unaudited			Unaudited		Audited
		Quarter ended			Nine months ended		Year ended
		31 December 2014	30 September 2014	31 December 2013	31 December 2014	31 December 2013	31 March 2014
11	**Net profit from ordinary activities after tax [9-10]**	**3,029**	**1,907**	**1,179**	**6,435**	**2,684**	**5,620**
12	Extraordinary items (net of tax expenses Rs. Nil)	-	-	-	-	-	-
13	**Net profit for the period [11-12]**	**3,029**	**1,907**	**1,179**	**6,435**	**2,684**	**5,620**
14	**Operating profit (EBIDTA)**	**9,511**	**7,652**	**6,137**	**23,865**	**16,427**	**27,111**
15	Paid up equity share capital (Shares of Rs.2/- each)	1,321	1,321	1,321	1,321	1,321	1,321
16	Reserves excluding revaluation reserves/ business reconstruction reserve as per balance sheet of the previous accounting year	-	-	-	-	-	78,559
17 i	**Earnings per share (before extraordinary items)**						
	(of Rs. 2/- each) (not annualized)						
	(a) Basic (Rs.)	4.59	2.89	1.79	9.74	4.06	8.51
	(b) Diluted (Rs.)	4.59	2.89	1.79	9.74	4.06	8.51
17 ii	**Earnings per share (after extraordinary items)**						
	(of Rs.2/- each) (not annualized)						
	(a) Basic (Rs.)	4.59	2.89	1.79	9.74	4.06	8.51
	(b) Diluted (Rs.)	4.59	2.89	1.79	9.74	4.06	8.51

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RISK FACTORS

This section describes the risks that we currently believe may materially affect our business and operations. You should carefully consider the following, in addition to any forward-looking statements and the cautionary statements in this Placement Document and the other information contained in this Placement Document, before making any investment decision relating to the Equity Shares. Prospective investors should read this section in conjunction with the sections "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as other financial and statistical information contained in this Placement Document. The risks described below are not the only ones relevant to us or the Equity Shares. Additional risks that may be unknown to us and some risks that we do not currently believe to be material could later turn out to be material. Although we seek to mitigate or minimize these risks, one or more of a combination of these risks could materially and adversely impact our business, results of operations and financial condition. Investors should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory regime which in some respects may be different from that applicable in other countries. Investors should consult their own tax, financial and legal advisors about the particular consequences of an investment in the Issue.

Unless otherwise indicated, all financial information included in this section have been derived from our Reformatted Consolidated Financial Statements for fiscal 2012, 2013 and 2014 included elsewhere in this Placement Document.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to HSIL Limited and its subsidiaries on a consolidated basis, and any reference to the "Company" refers to HSIL Limited on a standalone basis.

Risks Relating to Our Business and Operations

Our building products business and packaging products business are dependent on the performance of the various industries and sectors in which such products are used.

Our building products business and packaging products business are dependent on the performance of the various industries and sectors in which these products are used. Whereas our building products business, which includes our retail home interior business, is significantly dependent on the performance of the real estate sector and infrastructure development in India, our packaging products business is primarily dependent on the performance of the alcoholic and other beverages industry. The performance of these various industries, and consequently the demand for our building products as well as our packaging products in such industries, is dependent on various socio-economic and other factors beyond our control such as changing government policies and regulation, budgetary allocations made by the government or investments made by the private sector in such industries, as well as consumer demand and preferences for our building products and the end products in which our packaging products are used. Any adverse regulatory, socio-economic or other developments affecting the financial capacity of our customers or the performance of the various industries in which our products are used, may adversely affect our business, results of operations and financial condition.

The loss, shutdown or slowdown of operations at any of our manufacturing facilities or underutilisation of our manufacturing capacities may have a material adverse effect on our results of operations.

We have four manufacturing facilities for our building products business and four manufacturing facilities for our packaging products business. Our manufacturing facilities are subject to various operating risks, including the breakdown or failure of equipment, performance below expected levels of output or efficiency, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. We have temporarily discontinued operations at our Bhiwadi facility. Although we take precautions to minimize the risk of any significant operational issues at our manufacturing facilities, the occurrence of any of these risks could adversely affect our operations by causing production at one or more of our facilities to cease or slow down. Utilization rates at our manufacturing facilities are subject to various factors including availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning and capacity utilization. An inability to utilize our manufacturing facilities to their full or optimal capacity or non-utilization of such capacities may adversely affect our results of operations and financial condition.

A significant proportion of our revenues from sales of packaging products are generated from a few significant customers. The loss of or a significant reduction in the revenues generated from such significant customers may adversely affect our results of operations in our packaging products business and our financial condition.

A significant proportion of our revenues from sales of packaging products are generated from a few significant customers, and our packaging products business is therefore dependent on our ability to maintain a continuing relationship with these significant customers. An inability to develop and maintain our relationship with these significant customers in the packaging products business by providing quality glass packaging products, attractive commercial arrangements such as credit terms, and in certain instances customized glass bottling solutions for such customers, may result in loss of our significant customers. There can be no assurance that we will be able to maintain or increase the historic levels of business from our significant customers in the packaging products business, or that we will be able to obtain similar levels of business from other customers should any such customer cease to give us business. Any loss of such significant customers may adversely affect our business, results of operations and financial condition.

An inability to address changing industry standards and consumer trends through continuous product development initiatives in our building products business may adversely affect our building products business, results of operations and financial condition.

The future success of our building products business will depend in part on our ability to respond to technological advances, consumer preferences (including in designs) and emerging industry standards and practices in a cost-effective and timely manner. The development and implementation of such new technology entails technical and business risks. We may have to incur substantial capital investment to upgrade our equipment and manufacturing facilities. While we continue to invest in various product development initiatives, introduction of new designs and new technologies and processes for the development of new products, we are subject to general risks associated with introduction and implementation of new products including the lack of market acceptance and delays in product development. There can be no assurance that we will be able to successfully develop new products or that such new products will receive market acceptance or adapt our manufacturing processes to incorporate new technologies or address changing consumer trends or emerging industry standards. Any rapid change in the expectation of our customers in the building products business on account of changes in technology or introduction of new alternate products could adversely affect our business, results of operations and financial condition.

Our Company has not been able to trace certain corporate secretarial records, including records relating to the allotment of Equity Shares made pursuant to bonus issues on March 1, 1967 and March 30, 1970.

We have been unable to locate the copies of certain of our secretarial records, i.e. prescribed forms filed by us with the Registrar of Companies, including, among others, in respect of the allotment of Equity Shares made pursuant to bonus issues on March 1, 1967 and March 30, 1970. We have not been able to obtain copies of these documents. We cannot assure you that we will not be subject to any adverse action by a competent regulatory authority in this regard.

An inability to expand or manage our distribution network for our building products business or the loss of any significant dealer may adversely affect our building products business.

We sell our building products to retail customers through our large distribution network of dealers and sub-dealers across India. The competition for dealers and sub-dealers is intense in our industry and many of our competitors continue to expand their distribution networks. There can be no assurance that we will be able to successfully expand, maintain or manage our large distribution network and strengthen our relationship with our significant dealers in the future. If we lose any of our dealers or sub-dealers to competitors, we may lose some or all favorable arrangements with such dealers or sub-dealers, and could result in weakening or termination of our relationships with other dealers and sub-dealers.

We may also not be able to effectively manage our dealers and sub-dealers, and the cost of any consolidation or further expansion of our distribution network may exceed the additional revenue generated from such efforts. Furthermore, the performance of our dealers and sub-dealers and their ability to sell our products, strengthen our brand and expand their businesses and their sales network are crucial for the future growth of our business and would directly affect our sales volume and profitability.

Our building products business is dependent on maintaining a continuing relationship with our most significant dealers as a significant portion of our revenues in the building products business are generated by a limited number of key dealers. While our top ten dealers are not necessarily the same in every fiscal year or reporting period, our key dealers contribute a significant proportion of our total revenues. An inability to develop and maintain our relationship with key dealers by providing new and quality products, effective branding and marketing for such products, attractive commercial arrangements, or effective training and network support for dealers, may result in the loss of key dealers. There can be no assurance that we will be able to maintain or increase the historic levels of business from our key dealers, or that we will be able to immediately and successfully replace these key dealers at terms acceptable to us, should we lose any or all of them. Any loss of such key dealers may adversely affect our building products business, results of operations and financial condition.

Raw materials costs represent a significant percentage of our cost of operations in our packaging products business, and we are exposed to risks relating to any significant fluctuation in the price or availability of raw materials for our packaging products business.

Our packaging products business is significantly dependent on the availability, cost and quality of the raw materials required for the manufacture of our packaging products, primarily glass containers and PET bottles. We are dependent on third party suppliers for such raw materials and have not entered into long term supply arrangements. Raw material costs account for a significant percentage of our cost of operations in our packaging products business, and represented 30.20%, 33.00% and 35.63% of our total expenditure for our packaging products business in fiscal 2012, 2013 and 2014, respectively.

The supply and price of the raw materials used in our packaging products business are dependent on various factors beyond our control, including prevailing economic condition, competition, availability of quality suppliers, continuation of existing arrangements with our suppliers, our production levels, transportation costs and fuel prices. In the event that any of our suppliers reduces or discontinues the supply of these primary raw materials in the quantities we require, or supply raw materials that do not meet quality specifications, or at prices that are not competitive or not commercially acceptable to us, our ability to meet our raw material requirements will be affected, our manufacturing schedules may be disrupted and our business and operations may be adversely affected. An inability to continue our relationship with these suppliers or, if any such supply arrangement is discontinued, to immediately enter into similar arrangements with other suppliers, may also have a material adverse effect our packaging products business, and consequently our results of operations and financial condition. In addition, in the event that we are unable to pass on any increase in our raw materials costs to our customers by increasing the price of our packaging products, our operating margins, profitability and results of operations will be adversely affected.

Any deficiency in the quality of our products may expose us to product liability claims.

We are subject to laws and regulations relating to product liability arising from the manufacture and sale of our building products as well as our packaging products. If any of our building products sold by us fails to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. In addition, we manufacture certain packaging products to the specifications of our customers. From time to time, due to human or operational error, orders may not meet the specifications required by those customers and may therefore be rejected by customers. Any ongoing issues with products not meeting required specifications could reduce our revenue and impact negatively upon our reputation and financial performance. In addition, we may incur liability for defective products, product recalls, and delays in delivery or fulfilling contracts. Although we have not experienced any major product liability claims in the past, there can be no assurance that our customers or end-users of our products or unrelated third parties will not make claims against us in the future that may result in adverse publicity. In case of any such product liability claims in the future, there can be no assurance that any product liability insurance we may obtain will be sufficient to indemnify us against such liabilities.

If our cash flows are insufficient to repay our indebtedness or meet our significant working capital requirements, our business and operations may be adversely affected.

We require a significant amount of working capital for our manufacturing operations, including in order to maintain the inventory of our raw materials and products. In addition, we may incur additional indebtedness in the future to satisfy our working capital requirements. All of these factors have resulted, or may result, in increases in the amount of our receivables, inventories and borrowings. There can be no assurance that we will continue to be successful in arranging adequate working capital for our operations on acceptable terms or at all, which could adversely affect our results of operations and financial condition.

An inability to compete effectively may lead to lower market share or reduced operating margins and adversely affect our operations and profitability.

We sell our building products in highly competitive markets differentiated primarily on the basis of design and range of products, strength of distribution network, and branding and marketing initiatives. In order to remain competitive, we must continuously introduce new product ranges and new designs that anticipate customer and industry trends, strive to decrease costs of production, transportation and distribution and improve our operating efficiencies, and continue to make significant investments in advertisement and marketing initiatives, brand and product campaigns relating to our building and lifestyle products. In the event that we fail to maintain our competitive position across all such parameters, we may not be able to maintain or increase our market share in the building products industry, or maintain our profitability. Certain competitors, including multinational companies operating in the building products industry in India, may have greater financial resources, superior marketing initiatives or a larger distribution network than us, or may benefit from greater operating efficiencies. If we are unable to effectively compete with our competitors in future and manage our costs efficiently, our operating margins and results of operations may be adversely affected. Furthermore, the introduction of alternative sanitary ware systems or products resulting from advances in technology or changes in consumer preferences, may reduce demand for our existing products and may adversely affect our business prospects. Any failure on our part to meet the changing demands in the building products business will have an adverse effect on our business, results of operations and financial condition.

In our packaging products business, we primarily compete on the basis of the quality of our products, superior technology and product development capabilities such as ability to produce colored glass bottles, including developing customized products for key clients. In the event that we are unable to maintain our relationship with our key clients or develop relationships with new customers, particularly in the alcoholic and other beverages businesses, our packaging products business may be adversely affected.

We are dependent on third party transporters for the timely supply of raw materials to our facilities and delivery of our products to our dealers or customers, which are subject to uncertainties and risks.

We also use third-party transportation services for the supply of raw materials to our manufacturing facilities. Disruptions of transportation services because of various reasons such as weather-related problems, strikes by Indian truckers' unions, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to source raw materials and our ability to supply our products to our dealers or customers in a timely manner. In addition, some of our raw materials and products are imported and therefore subject to risks associated with transhipment of such material and products. There can be no assurance that such disruptions will not take place in the future. In addition, significant increases in transportation costs due to various reasons such as increase in crude oil prices may adversely impact our profitability and results of operations.

Our success depends on our senior management and skilled manpower and an inability to attract and retain key personnel may have an adverse effect on our business prospects.

Our experienced senior management and executive directors have made significant contribution to the growth of our business, and our future success is dependent on the continued service of our senior management team. An inability to retain any senior management personnel may have an adverse effect on our operations. Our ability to successfully grow our building products business as well as the packaging products business, and our ability to successfully integrate and manage our retail venture depends on our ability to attract, train, motivate and retain highly skilled professionals. We continue to face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify into new products. The loss of any of the members of our senior management team, our whole time directors or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business, results of operations, financial condition and growth prospects.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees.

While we have not experienced any significant employee related issues in the past, there can be no assurance that we will not in the future experience any strikes, work stoppages or other industrial actions or that these situations will not disrupt our business and operations. Majority of our employees are also members of trade unions and in the past we have faced labour unrest including strike. In the event that we are unable to manage any employee related issues or negotiate any settlement with our employees on acceptable terms, it could result in strikes, work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, such industrial disruptions or work stoppages may result in production losses and delays in delivery of products, which may adversely affect our business prospects, reputation, and results of operations.

Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business.

Our significant insurance policies consist of a comprehensive coverage for risks relating to our operations. While we believe that the amount of our insurance coverage is adequate based on management assessment, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and financial condition may be adversely affected.

Conditions and restrictions imposed by our financing arrangements may restrict our ability to conduct our business and operations.

As of March 31 2014, we had long term borrowings (including current maturities) aggregating to Rs.73,634.92 lakhs and short term borrowings aggregating to Rs.39,663.22 lakhs. We may in the future incur additional indebtedness in connection with our operations. Our indebtedness could have several important consequences on our future financial results and business prospects, including but not limited to the following:

- a substantial portion of our cash flow will be used towards servicing and repayment of our existing debt, which will reduce the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;

- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favorable to us may be limited;

- fluctuations in market interest rates will affect the cost of our borrowings;

- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions;

- we may have difficulty satisfying payment and other obligations under our existing financing arrangements and an inability to comply with these requirements could result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our assets; and

- we may be restricted from making dividend payments to our shareholders under certain circumstances.

Most of our loans are secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. Many of our financing agreements include various conditions and covenants restricting certain activities and certain transactions. Specifically, we may require, and may be unable to obtain, lender consents to sell or dispose assets charged, effect any major change in capital structure, undertake guarantee obligations, undertake new project or expansion, effecting any consolidations or mergers, make any significant change in management and permit any transfer of controlling interest.

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements and may adversely affect our ability to conduct our business and operations or implement our business plans. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our cash flows, business and results of operations.

We may be unable to obtain future financing to fund our operations, expected capital expenditure and working capital requirements on favorable terms, or at all.

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. In case there is insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

Increases in interest rates may materially impact our results of operations.

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Any shortage or non-availability of electricity may adversely affect our manufacturing processes and consequently our business, results of operations and financial condition.

The manufacture of our building products as well as our packaging products requires substantial amounts of electricity. We may face interruptions in the supply of power resulting from power shortages and as a result our operations may be adversely affected. We depend on power supplied by the State electricity boards, as well as power generated through power generators. While we have not in the past been affected by any major power interruptions, such interruptions could occur in the future as a result of any natural calamity, technical fault or power shortages beyond our control. Further, there can be no assurance that electricity supplied by the State electricity boards, and from generators will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. Lack of sufficient electrical power or an increase in the cost of such power could adversely affect our business and results of operation.

We have entered into distribution arrangements for certain products, and termination or alteration of the terms of such arrangements may adversely affect our business and results of operations.

We have entered into distribution arrangements for certain products. While we endeavour to maintain amicable business relationships with such counterparties, there can be no assurance that these arrangements will not be terminated or that any changes to the terms of such arrangements will be in our favour, which may adversely affect our ability to distribute such products and have an adverse effect on our business and results of operations.

We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our results of operations.

Changes in currency exchange rates affect our results of operations. A portion of our expenses, including cost of any imported raw materials, products, freight costs, and other operating expenses in connection with our operations outside India, as well as certain of our capital expenditure on equipment imported, are denominated in currencies other than Indian Rupees. Depreciation of the Indian Rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into in the future or any proposed capital expenditure in foreign currencies. Furthermore, the financial reporting currency of our Company and the Indian subsidiaries is in Indian Rupees, while the financial reporting currency of our international operations is in other currencies. Our foreign currency exchange risks therefore arise from the mismatch between our financial reporting currencies, currency of a substantial majority of our revenue and the currency of a substantial portion of our expenses and our indebtedness, as well as timing differences between receipts and payments which could result in an increase of any such mismatch. Although we may selectively enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the other relevant foreign currencies.

Our intellectual property rights may not be adequately protected against third party infringement.

We are the registered owners of certain trademarks and copyright. We have also applied for registration of various trademarks in relation to our products. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of these trademarks or logos and our other intellectual property rights. Also there can be no assurance that we will be granted the registration for such trademarks and logos and until such time any infringement of such mark may adversely affect our business. Further, we may not be able to protect our intellectual property rights against third party infringement and unauthorized use of our intellectual property including our brand on products which are not manufactured by us and which are of inferior quality, and which may adversely affect our brand value and consequently our business. Further, the use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business. In addition, any adverse experience of customers of such third party products, or negative publicity attracted by such third party products could adversely affect our reputation and brand and business prospects.

We may also be susceptible to claims from third parties asserting infringement and other related claims relating to trademarks and brands under which we sell our products. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management's attention and resources. An adverse ruling arising out of any intellectual property dispute could subject us to liability for damages and could adversely affect our business, results of operations and financial condition.

Any failure in our information technology systems may adversely affect our business, results of operations and financial condition.

Our information technology systems are a critical part of our business and enable us to manage key business processes such as product design and development, customer and dealer relationship management and transaction processing, as well as our financial reporting system. Any delay in implementing critical upgrades to our information management systems or technical failures associated with our information technology systems, including those caused by power failures, computer viruses or unauthorized tampering of our information technology systems, may adversely affect our ability to plan, track, record and analyze work in progress and sales, process, financial information, manage our creditors and debtors, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, results of operations and financial condition.

We, our Directors and our subsidiaries are subject to certain legal proceedings and we cannot assure you that we will be successful in all of these actions. In the event we are unsuccessful in any or all of the disputes, our business, results of operations and cash flows may be adversely affected.

We, our Directors and our subsidiaries are contesting certain legal proceedings in various courts, including certain civil/criminal cases that have been filed against us, our Directors and / or our subsidiaries, in respect of actions allegedly taken by us, our Directors and / or our subsidiaries during the ordinary course of business. Any adverse decision in any of these cases may adversely affect our reputation and financial condition. We cannot assure investors that the outcome of these legal proceedings will be favourable. Such litigation could divert management time and attention, and consume financial resources in their defense or prosecution. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, financial condition, reputation, results of operations and cash flows could be adversely affected. For further details of certain material legal proceedings that we are subject to, please see "**Legal Proceedings**" on page 170.

An inability to successfully manage our international operations could adversely affect our business and results of operations.

Our international operations especially through our subsidiaries are subject to political, economic, regulatory and other risks of doing business in those jurisdictions, including uncertain political and economic environments and political instability, as well as legal systems, laws and regulations that are different from the legal systems, laws and regulations that we may be familiar with in India. Some of our subsidiaries are located outside of India and we import some of our products such as the Queo and Amore range of products from outside India. An inability to successfully manage our international operations could adversely affect our business and results of operations. In particular, different legal and tax regimes may affect our business and result of operations. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws of different jurisdictions.

Extensive environmental, health and safety laws and regulations may result in increased liabilities and capital expenditure.

Our operations are subject to various environmental, health and safety laws including industry specific regulations, including stringent regulations that apply to our hygiene and packaging products used across various industries, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes. We also require certain approvals in order to operate our manufacturing facilities in India. Our operations, facilities and properties outside India are also subject to local environmental and occupational health and safety laws and regulations. While we believe that we are in compliance with applicable environmental laws and regulations, we may be subject to additional requirements due to changing governmental policies. We could also incur additional costs and liabilities related to compliance with these laws and regulations.

Further regulatory permits required for our operations may also be subject to periodic renewal and, in certain circumstances, modification or revocation. There can be no assurance that the relevant authorities will issue or renew any such permits or approvals in time or at all. Any failure or delay in obtaining approvals or failure by us to obtain, maintain or renew the requisite permits or approvals within applicable time or at all may result in interruption of our operations. Any of the above factors, including any failure to comply with safety requirements and standards may result in non-compliance with government regulations, property damage, environmental damage and personal injury may result in penal action against us, restraining our operations, imposing fines or civil and criminal penalties or initiating legal proceedings, thereby adversely affecting our business, results of operations and financial condition.

Some of our premises are located on leased premises, and our operations may be materially and adversely affected if we are unable to continue to utilize any one or more of these.

We have set up regional offices, retail stores, showrooms, service centres and brand display centres for effective distribution, display, selling of and post sales services in relation to our products as well as publicity of our brands and products on which our business and operations are significantly dependent. Our branches, showrooms, service centres, display centres and other facilities are typically located on leased premises for which we have entered into lease arrangements. If we are unable to continue to use such premises or extend such lease on its expiry on commercially acceptable terms, or at all, we may suffer a disruption in our operations which could have a material and adverse effect on our business, results of operations and financial condition. In addition, it is also possible that some of these leases may not have been registered, which may affect the evidentiary value of such lease agreement in specific performance or other injunctive procedures in a court of law.

Our Promoters and Promoter Group will continue to retain significant control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.

Prior of this Issue, our Promoters and Promoter Group hold approximately 51.57% of our paid up equity share capital. After this Issue, our Promoters and our Promoter group will beneficially hold approximately 47.11% of our post-Issue equity share capital. As a result, our Promoter group will continue to have the ability to exercise significant influence over the matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. The Promoter group will also be in a position to influence the result of any shareholders' action or approval requiring a majority vote. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control and this could have an adverse effect on our operations and business conditions.

Our financial condition may be adversely affected if any of our contingent liabilities materialize.

Our contingent liabilities as of March 31, 2014, as disclosed in the notes to our Reformatted Consolidated Financial Statements included in this Placement Document are as follows:

Particulars	Amount (Rs. lakhs)
Contingent Liability not provided for in respect of:	
Demands raised by the excise authorities against which appeals have been filed	364.21
Demands raised by the income tax authorities against which appeals have been filed	62.65
Demands made by the sales tax authorities against which appeals have been filed	295.85
Demands made by the service tax authorities against which appeals have been filed	77.77
Bank guarantees outstanding	3,166.86
Claims not acknowledged as debts	2,043.44
Duty availed on imports against Export Promotion Capital Goods licenses	2,818.42

If any of these contingent liabilities materialize, our profitability may be adversely affected and our financial conditions and business operation may be adversely affected. In addition, there were unfulfilled export obligations under the Export Promotion Capital Goods License of Export Import Policy of Rs.22,547.37 lakhs as of March 31, 2014.

Some of our subsidiaries have incurred losses in the past and may incur losses in the future.

Some of our direct and indirect subsidiaries have incurred losses in the past. For further information, see our reformatted consolidated financial statements included elsewhere in this Placement Document. In particular, our subsidiary Hindware Home Retail Private Limited, which is in the home retail business, has incurred significant losses in the past and there is no assurance that it will not incur similar losses in the future. Its losses after taxes were Rs.1,702.96 lakhs, Rs.1,869.55 lakhs and Rs.2,024.33 lakhs in fiscal 2012, 2013 and 2014, respectively. In the event of such loss in the future, our consolidated results of operations and financial condition will be materially and adversely affected.

Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on various factors. Accordingly, realization of a gain on shareholder investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that the Equity shares will appreciate in value.

We have entered into certain transactions with related parties in the past and may continue to do so in future. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

We have entered into certain transactions with related parties, including our Promoters and may continue to do so in future. While we believe that all such transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. For further information, see our reformatted Reformatted Consolidated Financial Statements for fiscal 2012, 2013 and 2014 included elsewhere in this Placement Document.

Delays or defaults in payments by our dealers and/or any direct customers could adversely affect our results of operations.

We may be subject to working capital risks due to delays or defaults in payment by our dealers and/or any direct clients we sell our products to, which may restrict our ability to procure raw materials and make payments when due. Such defaults or delays by our dealers or customers in meeting their payment obligations to us may have a material adverse effect on our business, results of operations and financial condition.

Our revenues are subject to a significant number of tax regimes and changes in legislation governing the rules implementing them could adversely affect our results of operations.

Taxes and other levies imposed by the GoI or State governments in India that affect our industry include import duties on raw materials, excise duty on the manufacture of our products, central and state sales tax and other levies, income tax, value added tax, octroi tax and entry tax, service tax and other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

Since some of our operations are also located outside of India, we are subject to a significant number of tax authorities and regimes. The revenues recorded and income earned in various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. These tax liabilities and tax regimes also involve the assessment of transfer pricing arrangements among our Company and its subsidiaries in different tax jurisdictions, and although we enter into arms-length transactions with respect to the supply of products and raw materials among our Company and its subsidiaries, there can be no assurance that regulatory and tax authorities in the various jurisdictions that we operate in will not disagree with our assessment of such transactions. Changes in the operating environment, including changes in tax law and currency/repatriation controls, including on a retroactive basis, could impact the determination of our tax liabilities for any given tax year.

Investments by Foreign Portfolio Investors ("FPIs") and NRIs beyond certain limits as specified under the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, require prior approval of the Reserve Bank of India (RBI).

In terms of the SEBI (FPI) Regulations, the issue of equity shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10.00% or above of the post-issue equity share capital of the company. Further, in terms of the FEMA 20, the total holding by each FPI shall be below 10.00% of the total paid-up equity share capital and the total holdings of all FPIs put together shall not exceed 24.00% of our paid-up equity share capital. The RBI shall caution list the company on FPI investment in the company reaching 22% ("Cut-off Point") of paid up capital of the Company. In the event the aggregate net purchases of equity shares of the company by FPIs reaches the Cut-off Point, the RBI cautions all designated bank branches not to purchase any more equity shares of the respective company on behalf of FPIs without prior approval of the RBI.

As on December 31, 2014 the total FPI holding in our Company was 10.72%. The aggregate limit of 24.00% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders. On January 15, 2015 our Board of Directors passed resolutions for increasing the FII/FPI limit from 24% to 40% and increase in NRI limit to 5% of the paid up equity share capital of our Company. On January 15, 2015 our Company issued notice of postal ballot to the shareholders for considering the proposed increase of the said aggregate limit. The proposed increase in the said aggregate limit shall be effective from the date RBI takes note of the same. For further details please see "Issue Procedure" on page 126.

Our reviewed standalone financial statements for the six months ended September 30, 2014 and the three months/nine months ended December 31, 2014 may not be comparable to our reviewed standalone financial statements for the six months ended September 30, 2013 and the three months/nine months ended December 31, 2013.

As a result of a scheme of amalgamation involving Garden Polymer Private Limited our reviewed standalone financial statements for the six months ended September 30, 2014, and the three months/nine months ended December 31, 2013, may not be comparable to our reviewed standalone financial statements for the six months ended September 30, 2013, and the three months/nine months ended December 31, 2013. Our Board of Directors on September 25, 2012, approved the Scheme of Amalgamation between Garden Polymer Private Limited and our Company. The Scheme was approved by the Hon'ble High Court of Calcutta on March 13, 2014 and made effective upon filing of the approved scheme with the Registrar of Companies, West Bengal with an appointed date of April 1, 2012.

The audit report in respect of our standalone and consolidated financial statements contain certain matters of emphasis.

The audit report on our consolidated financial statements for fiscal 2012 included certain matters of emphasis relating to the accounting treatment adopted by our Company pursuant to the scheme of arrangement (the "Scheme") approved by the Hon'ble Calcutta High Court. In terms of the Scheme, our Company had revalued only a portion of our freehold land by crediting the resulting gain to the Business Reconstruction Reserve Account (the "BRR account") whereas the applicable accounting standards and generally accepted accounting principles in India do not provide for revaluation of part of a class of asset. For further information, please see, "Independent Auditors' Report on our Reformatted Consolidated Financial Statements" included elsewhere in this Placement Document.

There can be no assurance that our auditors will not qualify their opinion in the future. A qualified audit report from our auditors may, inter alia, limit our ability to access certain types of financing, or may prevent us from obtaining financing on acceptable terms or may require certain regulatory / statutory disclosures and may subject us to certain regulatory / statutory proceedings, the outcome of which may not be within our control.

Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our profitability, results of operations and cash flows.

We are exposed to operational risk arising from inadequacy or failure of internal processes or systems or from fraud or theft. We are susceptible to, and have experienced in the past, fraud or misappropriation by our employees or outsiders. For instance, the audit report for fiscal 2012, in relation to the Companies (Auditor's Report) Order, 2003, stated that in May 2011, noted misappropriation of cheque book, resulting in fraudulent withdrawal of funds aggregating to approximately Rs.127 lakhs at our building products manufacturing unit in Hyderabad. We subsequently recovered approximately Rs.31 lakhs in fiscal 2012 and the remaining amount of Rs.96 lakhs was provided for as doubtful advance by us. Subsequently, we have further recovered an additional Rs.48 lakhs in fiscal 2014. For further information, please see "Financial Information" on page 181. Our management information systems and internal control procedures are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. As a result, we may suffer monetary losses, which may not be covered by our insurance and may thereby adversely affect our profitability, results of operations and cash flows. Such a result may also adversely affect our reputation.

We may undertake strategic acquisitions, investments or divestitures, which may prove to be difficult to integrate and manage or may not be successful, and may affect our financial condition.

As part of our strategy for growth, we may consider making strategic acquisitions of companies whose resources, capabilities and strategies are complementary to and are likely to increase our product portfolio, expand our distribution network and/or develop new customers. We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such strategic alliances, joint ventures or investments will be successful. It is possible that we may not be able to identify suitable acquisition or investment opportunities or that in the event we do so, we may not be able to complete those transactions on commercially acceptable terms, which may adversely affect our competitiveness or our growth prospects. If we acquire another company we could face difficulty in integrating the acquired operations. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses.

Risks Associated with India and Indian Companies

Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and the Company's business in particular.

The Central Government and State Governments has traditionally exercised and continues to exercise influence over many aspects of the Indian economy. The Company's business and the market price and liquidity of the Equity Shares may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The governments in the past have sought to implement economic reforms policies and have undertaken initiatives that continue the economic liberalization policies pursued by previous Governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting various sectors we operate in, foreign investment and other matters affecting investment in the Equity Shares could change as well. A new Central Government was elected in May 2014. The newly elected Central Government may announce new policies or withdraw existing benefits, which may be applicable to the sectors in which the Company does business. Any significant change in such policies could adversely affect business and economic conditions in India, generally, and the Company's results of operations and financial condition, in particular.

General economic conditions in India and globally could adversely affect our business and results of operation.

Our financial condition and the results of our operations depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, financial performance and operations.

We mainly derive revenue from our operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, rising inflation rates and various other factors. GDP growth for fiscal year 2014 increased marginally to 4.7% from 4.5% for fiscal year 2013. The RBI, in its recent monetary policy reviews, has indicated that inflation continues to be a concern and further tightening measures may be required. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations.

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of our Equity Shares. Further any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

Our ability to raise foreign currency denominated debt outside India may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms or refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business, financial condition and results of operations.

Under India's policy on external commercial borrowing ("**ECB**"), as notified by the RBI and currently in force ("**ECB Policy**"), ECB by an eligible borrower is permitted under the automatic route up to U.S.$ 750 million in a year, with a minimum average maturity of three years for ECB up to US$ 20 million and five years for ECB of US$ 20 million to US$ 750 million, for permissible end-uses. Permissible end uses for ECB include import of capital goods, new projects, modernization or expansion of existing production units in the industrial and certain other specified sectors, as well as import of services and technical know-how and payment of license fees by manufacturing companies. End uses not permitted include working capital, general corporate purposes, repayment of existing Rupee denominated borrowings, investment in real estate and on-lending or investment for acquisition of a company or part thereof (other than a wholly owned overseas subsidiary or joint venture, subject to existing laws and regulations governing overseas direct investment by Indian companies). Further, the ECB Policy limits the all-in-cost to 500 basis points above the London Interbank Offered Rate or applicable benchmark for ECB with minimum average maturity of over five years. ECB not complying with these requirements is permitted with prior approval of the RBI, in accordance with the ECB Policy. In addition, there are certain routine procedural and disclosure requirements in relation to any such ECB. These limitations on ECB may constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our business, financial condition, results of operations and prospects. These limitations on ECB could constrain our ability to raise cost effective funding for implementing asset purchases, refinancing existing indebtedness, or financing acquisitions and other strategic transactions in the future, which may adversely affect our financial condition and prospects.

Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, in Europe and in certain emerging economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the more recent European sovereign debt crisis, has led to increased liquidity and credit concerns and volatility in the global credit and financial markets. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

In mid-2013, concerns in relation to the tapering of the U.S. Federal Reserve's quantitative easing program in the United States led to increased volatility particularly in the stock and currency markets in emerging economies. There are also concerns that a tightening of monetary policy in emerging markets and some developed markets, caused by increased food, fuel and commodities prices, will lead to a moderation in global growth. In particular, there are rising concerns of a possible slowdown in the Chinese economy; and China is one of India's major trading partners. The recent sovereign rating downgrades for Brazil and Russia have also added to the growth risks for these markets. These factors might also result in a slowdown in India's export growth momentum.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on the Company's cost of funding, business, future financial performance and the trading price of the Equity Shares.

The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject the Company to higher compliance requirements and increase the Company's compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notifications, resulting in the corresponding provisions of the Companies

Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offer documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading, and restrictions on directors and key managerial personnel from engaging in forward dealing. The Company is also required to spend, in each financial year, at least 2% of its average net profits during three immediately preceding financial years towards corporate social responsibility activities. Further, the Companies Act, 2013 imposes greater monetary and other liability on the Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, the Company may need to allocate additional resources, which may increase the Company's regulatory compliance costs and divert management attention.

The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, the Company may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event the Company's interpretation of such provisions of the Companies Act, 2013 differs from or contradicts any judicial pronouncements or clarifications issued by the Government in the future, the Company may face regulatory actions or it may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by SEBI). Recently, SEBI issued revised corporate governance guidelines which are effective from October 1, 2014. Pursuant to the revised guidelines, the Company will be required to, amongst other things, ensure that there is at least one woman director on its Board at all times, establish a vigilance mechanism for directors and employees, and reconstitute certain committees in accordance with the revised guidelines. The Company may face difficulties in complying with any such overlapping requirements. Further, the Company currently cannot determine the impact of provisions of the Companies Act, 2013 and revised SEBI corporate governance guidelines, which are yet to come in force. Any increase in the Company's compliance requirements or in its compliance costs may have an adverse effect on the Company's business and results of operations.

Our ability to invest in overseas subsidiaries and joint ventures may be constrained by Indian and foreign laws, which could adversely affect our growth strategy and business prospects.

Under Indian foreign investment laws, an Indian company is permitted to invest in overseas joint ventures or subsidiaries, up to 400% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions). This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. However, any financial commitment exceeding US$ 1 billion (or its equivalent) in a financial year would require prior approval of the Reserve Bank of India, even when the total financial commitment of the Indian company is within the eligible limit as mentioned above. Further, there may be limitations stipulated in the host country for foreign investment.

Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. In addition, there are certain procedural and disclosure requirements in relation to any such overseas direct investment.

These limitations on overseas direct investment could constrain our ability to acquire or increase our stake in overseas entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our business and financial condition.

We may be affected by competition law in India, and any adverse application or interpretation of the Competition Act, 2002 could adversely affect our business and activities.

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having or likely to have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. The applicability of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, may adversely affect our business, results of operations and prospects.

The proposed new taxation system in India could adversely affect the Company's business.

The Government of India has proposed three major reforms in Indian tax laws, namely the goods and services tax, the direct taxes code and provisions relating to General Anti-Avoidance Rules ("**GAAR**"). As regards the implementation of the goods and service tax and the direct tax code, the Central Government has not specified any timeline for their implementation. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state value-added tax, surcharge and excise currently being collected by the Central Government and State Governments. The direct taxes code aims to introduce moderate levels of taxation, expand the tax base and facilitate voluntary compliance. It also aims to provide greater tax clarity and stability to investors who invest in Indian projects and companies, as well as clarify the taxation provisions for international transactions. It aims to consolidate and amend laws relating to all direct taxes like income tax, dividend distribution tax and wealth tax and facilitate voluntary compliance. As regards GAAR, the provisions may come into effect from April 1, 2016. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (a) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (b) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (c) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (d) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on the Company cannot be determined at present and there can be no assurance that such effects would not adversely affect the Company's business, future financial performance and the trading price of the Equity Shares.

Terrorist attacks or civil disturbances in India may have a material adverse effect on the Company's business and the trading price of the Equity Shares could decrease.

India has from time to time experienced instances of social, religious and civil unrest and terrorist attacks. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult, and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and the Company's business, future financial performance, cash flows and market price of the Equity Shares.

Natural disasters could have a negative impact on the Indian economy and damage the Company's facilities.

Natural disasters such as floods, earthquakes or famines have in the past had a negative impact on the Indian economy. If any such event were to occur, the Company's business could be affected due to the event itself or due to its inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity or business information. In the event that the Company's facilities are affected by any of these factors, the Company's operations may be significantly interrupted, which may materially and adversely affect the Company's business, results of operations and financial condition.

Investors may be subject to Indian taxes arising out of capital gains.

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Currently, any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months is not subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which were sold other than on a recognized stock exchange and as a result of which no STT has been paid, is subject to capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 12 months or less is subject to capital gains tax in India. Capital gains arising from the sale of equity shares is exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares. For details see the section "Taxation" on page 154.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, with which investors may be more familiar. The proposed adoption of Indian Accounting Standards converging with International Financial Reporting Standards could result in the Company's results of operations and financial condition appearing materially different than under Indian GAAP.

The Company's consolidated financial statements included in this Placement Document are prepared and presented in conformity with Indian GAAP. No attempt has been made to reconcile any of the information given in this Placement Document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP, Ind-AS and other accounting principles with which prospective investors may be familiar in other countries. If the Company's consolidated financial statements were to be prepared in accordance with such other accounting principles, the Company's results of operations, cash flows and financial position may be substantially different. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on your familiarity with Indian GAAP and the Companies Act. Any reliance by persons not familiar with Indian GAAP on the financial disclosures present in this Placement Document should be limited. Prospective investors should review the accounting policies applied in the preparation of the Company's consolidated financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

Public companies in India, including the Company, may be required to prepare financial statements under IFRS or a variation thereof, Indian Accounting Standards "IND AS". The transition to IND AS in India is still unclear and the Company may be adversely affected by this transition.

Public companies in India, including the Company, may be required to prepare annual and interim financial statements under IFRS or IND AS or a variation thereof. The ICAI has released a near-final version of IND AS titled "First-time Adoption of Indian Accounting Standards" and the MCA, on February 25, 2011, has announced that IND AS would be implemented in a phased manner and the date of such implementation would be announced at a later date. Recently, the ICAI finalized the roadmap recommending IND AS to be implemented for the preparation of consolidated financial statements of listed companies from the accounting year beginning on or after April 1, 2016. The stand-alone financial statements will continue to be prepared pursuant to the existing notified accounting standards which would be upgraded over a period of time. The above roadmap has been submitted to the Ministry of Corporate Affairs ("**MCA**") for its consideration, and as per the press release issued by ICAI dated March 24, 2014.

The MCA has notified the date of implementation of IND AS as April 1, 2016. Additionally, IND AS has fundamental differences compared with IFRS and, therefore, financial statements prepared under IND AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that the Company's results of operations, cash flow or changes in shareholders' equity will not appear materially different under IND AS from that under Indian GAAP or IFRS. As the Company adopts IND AS reporting, it may encounter difficulties in the process of implementing and enhancing the Company's management information systems. There can be no assurance that the Company's adoption of IND AS will not adversely affect its reported results of operations or financial condition, and any failure to successfully adopt IND AS in accordance with the prescribed timelines may materially and adversely affect the Company's financial position and results of operations.

Any downgrading of the Company's or India's sovereign debt rating by rating agencies could have a negative impact on the Company's business and the trading price of the Equity Shares.

Any adverse revisions to the Company's or India's sovereign credit ratings for domestic and international debt by rating agencies may adversely affect the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on the Company's business and future financial performance and its ability to obtain financing to fund growth, as well as on the trading price of the Equity Shares.

Investors may not be able to enforce a judgment of a foreign court against the Company.

The Company is a limited liability company incorporated under the laws of India. The Board of Directors of our Company comprises of 9 Directors all of them are Indian citizens, except, Dr. Rainer Siegfried Simon who is a German citizen. All of our key managerial personnel are residents of India and the majority of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India, or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code on a statutory basis. Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties.

The United Kingdom, Singapore and Hong Kong have been declared by the Central Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; or (f) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India to repatriate outside India any amount recovered and any such amount may be subject to income tax in accordance with applicable laws. For further information, please see the section "Enforcement of Civil Liabilities" on page 14.

Risks Related to the Equity Shares

Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

The Company's articles of association, regulations of the Company's Board of Directors and Indian law govern the Company's corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

Foreign investors are subject to foreign investment restrictions under Indian law that limit the Company's ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI or the FIPB will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Central Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Central Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Central Government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

Applicants to the Issue are not allowed to withdraw their bids after the Bid/Issue Closing Date.

In terms of the SEBI Regulations, applicants in the Issue are not allowed to withdraw their bids ("**Bids**") after the bid/issue closing date (the "**Bid/Issue Closing Date**"). The allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to ten days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the Company's business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of allotment of Equity Shares in the Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of the SEBI. The Company may complete the allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

There may be less information available about the companies listed on the Indian securities markets compared with information that would be available if the Company were listed on securities markets in certain other countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and certain other countries. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared with information that would be available if that company was listed on a securities market in certain other countries.

There is no guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchanges. Further, any trading closures at the BSE and the NSE may adversely affect the trading price of the Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

Further, the regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

The trading price of the Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price. Further, Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

The trading price of the Equity Shares may fluctuate after this Issue due to a variety of factors, including the Company's results of operations and the performance of the Company's business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy, significant developments in India's fiscal regime, volatility in the Indian and global securities markets, performance of the Company's competitors, the perception in the market about investments in various sectors, changes in the estimates of the Company's performance or recommendations by financial analysts and announcements by the Company or others regarding contracts, acquisitions, strategic partnerships, joint ventures or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to the Company's business or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in the Company's industry even if these events do not directly affect the Company. Each of these factors, among others, could adversely affect the price of the Equity Shares.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell the Equity Shares or the price at which Shares can be sold at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on the Equity Shares circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform the Company of the percentage limit of the circuit breaker, and they may change the limit without the Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at any particular point in time.

An investor will not be able to sell any of the Equity Shares purchased in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares.

Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of the Equity Shares in the Issue, investors purchasing the Equity Shares in the Issue may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of their Equity Shares. The Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares.

Any further issuance of Equity Shares by the Company or sale of our Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.

Any future issue of the Equity Shares by the Company or the disposal of Equity Shares by any of the Company's principal shareholders, or the perception that such issues or sales may occur, may dilute your shareholding in the Company, or may significantly affect the trading price of the Equity Shares.

You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.

Pursuant to the Companies Act, 2013 a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution when the votes cast in favor of the resolution by the holders who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without the Company filing a placement document or registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless the Company makes such a filing. If the Company elects not to make such a filing, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian would receive upon the sale of such securities, if any, and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by you, your proportional interest in the Company would be reduced.

MARKET PRICE INFORMATION

The Equity Shares have been listed and are available for trading on the BSE, and the NSE.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE and the NSE on the dates on which such high and low prices were recorded for financial years ended March 2012, March 2013 and March 2014:

BSE

Financial Year	High (Rs.)	Date of High	Total Volume on date of High (Number of Equity Shares traded on the date of high)	Total Volume of Equity shares traded on the date of high (million)	Low (Rs.)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (Rs. in million)	Average price for the year (Rs.)
March 2012	236.70	Aug 1, 2011	110835	263.98	121.95	Jan 4, 2012	5115	6.24	164.53
March 2013	178.75	May 7, 2012	111085	193.40	87.15	Mar 4, 2013	70806	62.22	132.10
March 2014	131.45	Mar 31, 2014	14060	18.55	73.30	Aug 2, 2013	9579	6.97	95.43

(Source: www.bseindia.com)

NSE

Calendar Year	High (Rs.)	Date of High	Volume on date of High (Number of Equity Shares traded on the date of high)	Total Volume of Equity shares traded on the date of high (Rs. million)	Low (Rs.)	Date of low	Volume on date of Low (Number of Equity Shares traded on the date of low)	Total Volume of Equity shares traded on the on date of low (Rs. million)	Average price for the year (Rs.)
March 2012	236.85	Aug 1, 2011	239169	567.97	121.70	Jan 4, 2012	33173	40.4	164.91
March 2013	178.95	May 7, 2012	264172	464.06	87.35	Mar 4, 2013	397456	347.91	132.25
March 2014	130.85	Mar 31, 2014	67376	88.77	73.55	Aug 2, 2013	38172	27.71	95.50

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same high or low price, the date with the higher volume has been considered.*

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the BSE and the NSE on the dates on which such high and low prices were recorded during each of the last six months:

BSE

Month Year	High(Rs.)	Date of High	(Volume on date of High) Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (million)	Low (Rs.)	Date of low	(Volume on date of Low) Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (million)	Average price for the month (Rs.)
September 2014	358.20	Sep 8, 2014	29461	106.38	324.85	Sep 1, 2014	36239	115.63	346.73
October 2014	411.20	Oct 9, 2014	45486	185.24	355.25	Oct 1, 2014	4995	17.62	389.90
November 2014	395.50	Nov 18, 2014	46611	186.63	364.10	Nov 28, 2014	21299	78.07	379.84
December 2014	369.75	Dec 23, 2014	9573	35.47	348.25	Dec 31, 2014	10435	36.30	360.21
January 2015	424.40	Jan 19, 2015	86,089	365.94	368.35	Jan 2, 2015	12831	47.24	395.78
February 2015	424.75	Feb 28, 2015	174,234	753.43	382.80	Feb 10, 2015	12215	47.31	405.58

(Source: www.bseindia.com_)

NSE

Month Year	High (Rs.)	Date of High	(Volume on date of High) Number of Equity Shares traded on the date of high	Total Volume of Equity shares traded on the date of high (million)	Low (Rs.)	Date of low	(Volume on date of Low) Number of Equity Shares traded on the date of low	Total Volume of Equity shares traded on the on date of low (million)	Average price for the month (Rs.)
September 2014	358.05	Sept 8, 2014	110123	397.47	325.90	Sep 1, 2014	128370	411.24	347.21
October 2014	410.15	Oct 9, 2014	368560	1477.47	354.35	Oct 1, 2014	16768	59.28	389.74
November 2014	396.90	Nov 18, 2014	177569	710.67	363.65	Nov 28, 2014	82071	301.04	380.15
December 2014	370.15	Dec 23, 2014	25045	92.68	348.35	Dec 30, 2014	28618	100.16	360.53
January 2015	424.95	Jan 19, 2015	288849	1227.51	367.90	Jan 1, 2015	88414	321.94	395.76
February 2015	425.55	Feb 28, 2015	564471	2439.99	383.70	Feb 10, 2015	40089	155.99	405.65

(Source:www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In case two days with the same high or low price, the date with the higher volume has been considered.*

(iii) The following table set forth the details of the number of Equity Shares traded and the volume of business transacted during the last six months and the fiscal years ending March 2012, March 2013 and March 2014 on the BSE and the NSE :

Period	Number of Equity Shares Traded		Volume of Business Transacted (Rs. in million)	
	BSE	NSE	BSE	NSE
Year ending 2012	6,760,003	32,234,548	12,108.78	55,076.22
Year ending 2013	19,132,638	37,568,727	25,465.59	50,601.36
Year ending 2014	7,701,216	20,901,504	8,332.92	21,694.86
September 2014	731,267	2,311,054	2,552.69	8,072.63
October 2014	994,887	2,009,062	3,771.19	7,835.48
November 2014	373,982	1,578,311	1,440.27	6,084.6
December 2014	288,953	1,182,487	1,043.96	4,288.84
January 2015	1,134,218	4,061,937	4,638.15	16,601.50
February 2015	485,147	1,732,746	2,021.99	7,206.02

(*Source: www.bseindia.com and www.nseindia.com*)

(iv) The following table sets forth the market price on the BSE and the NSE i.e. October 30, 2014 , the first working day following the approval of the Board of Directors for the Issue:

BSE						NSE					
Open	High	Low	Close	Number of Equity Shares traded	Turnover (Rs. million)	Open	High	Low	Close	Number of Equity Shares traded	Turnover (Rs. million)
405.60	405.60	371.30	373.95	147167	568.52	405.30	405.30	371.15	374.25	506378	1950.76

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

USE OF PROCEEDS

The total proceeds of the Issue will be Rs. 2,500 million. After deducting the Issue expenses of approximately Rs. 57.50 million, the net proceeds of the Issue will be approximately Rs. 2,442.50 million (the **"Net Proceeds*")***.

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds of the Issue towards prepayment of its long term/short term debts, to meet our long term working capital and capital expenditure requirements in connection with our business ventures/projects; for general corporate purposes; and towards such other purposes as may be permitted by applicable law.

In accordance with the policies approved by the Board and as permissible under applicable laws and government policies, our Company will have flexibility in deploying the Net Proceeds received from the Issue. Pending utilisation for the purposes described above, we intend to temporarily invest funds in credit worthy instruments, including money market mutual funds and deposits with banks and corporates. Such investments would be in accordance with the investment policies as approved by the Board from time to time and will also be in accordance with all applicable laws and regulations.

CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated capitalization and total borrowings as per our Reformatted Consolidated Financial Statements as on March 31, 2014, and as adjusted to give effect to the Issue. This table should be read in conjunction with the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 86 and other financial information contained in the section "Financial Information" on page 181.

(Rs. in lacs)

	As at March 31, 2014	As Adjusted for the Issue
Borrowings :		
Short term	39,663.22	39,663.22
Long term	73,634.92	73,634.92
Total Debt (A)	**113,298.14**	**113,298.14**
Shareholders' funds:		
Share capital	1,320.97	1,445.97
Reserves and surplus	101,508.31	126,383.31
Less: Business reconstruction reserve	(32,267.37)	(32,267.37)
Less: General reserve (refer note 3 below)	(10,000.00)	(10,000.00)
Total Shareholders' Funds (B)	**60,561.91**	**85,561.91**
Total Capitalisation (A+B)	**173,860.05**	**198,860.05**

Notes:

1. *Short term borrowing is considered as borrowing due within 12 months from the balance sheet date.*
2. *Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of long term borrowings.*
3. *General reserves amounting to ₹ 10,000 lacs represent the amount which had been transferred from Business Reconstruction Reserve and which cannot be used for issue of bonus shares and payment of dividend.*

CAPITAL STRUCTURE

Share capital of our Company as on the date of filing of this Placement Document is as follows:

(Rs. in million)

	Aggregate nominal value
Authorized share capital	
111,250,000 Equity Shares	222.50
Issued equity share capital prior to the Issue	
66,050,220 Equity Shares	132.10
Subscribed and paid-up share capital prior to the Issue	
66,046,395 Equity Shares	132.09^
Present Issue being offered to the Equity Shareholders through this Placement Document	
6,250,000 Equity Shares at a premium of Rs. 398, i.e. at a price of Rs. 400 per Equity Share	2,500
Paid up equity share capital after the Issue	
72,296,395 Equity shares	144.59
Securities premium account prior to the Issue	
Existing securities premium account	2,114.48
Securities premium account after the issue	4,601.98

^Including an amount of Rs. 0.004 million, paid on forfeited shares. For further details, please see the "Equity capital history of our Company" below.

(a) The Issue has been authorised by the Board on October 29, 2014, the Shareholders pursuant to their resolution dated December 17, 2014 and the Corporate Affairs Committee resolutions dated March 9, 2015.

Equity capital history of our Company

The history of the equity share capital of our Company since inception is as follows-

Date of Issue/ Allotment/ Forfeiture	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Number of Equity Shares	Cumulative paid-up capital (Rs.)	Nature of Consideration	Mode of Allotment
February 8, 1960	10,000	10	10	10,000	100,000	Cash	Subscribers to Memorandum
August 16, 1960	104,000	10	10	114,000	1,140,000	Cash	Alloted to Twyfords Limited, Collaborators
August 16, 1960	100,900	10	10	214,900	2,149,000	Cash	Shares allotted to Directors, their friends and associates
December 8, 1960	40,000	10	10	254,900	2,549,000	Cash	Shares subscribed by Directors, their friends and associates
December 8, 1960	145,100	10	10	400,000	4,000,000	Cash	Public Issue
November 24, 1962	(765)	10	10	399,235	3,992,350	-	Forfeiture of shares
March 1, 1967	99,809	10	10	499,044	4,990,440	Other than Cash	Bonus issue

Date of Issue/ Allotment/ Forfeiture	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Number of Equity Shares	Cumulative paid-up capital (Rs.)	Nature of Consideration	Mode of Allotment
March 30, 1970	239,542	10	10	738,586	7,385,860	Other than Cash	Bonus issue
February 25, 1981	246,195	10	10	984,781	9,847,810	Other than Cash	Bonus issue
March 10, 1984	67,500	10	10	1,052,281	10,522,810	Other than Cash	Scheme of amalgamation*
May 27, 1988	526,141	10	10	1,578,422	15,784,220	Other than Cash	Bonus issue
December 1, 1989	365,625	10	10	1,944,047	19,440,470	Cash	Scheme of amalgamation**
January 13, 1994	1,543,816	10	10	3,487,863	34,878,630	Cash	Right Cum Public issue
January 6, 1995	1,525,198	10	10	5,013,061	50,130,610	Cash	Right cum public issue
July 27, 2000	600,000	10	10	5,613,061	56,130,610	Cash	Preferential allotment to Promoters
January 28, 2004	5,613,061	5	5	11,226,122	56,130,610	-	Split of equity shares
January 18, 2005	7,484,081	5	5	18,710,203	93,551,016	Other than Cash	Bonus issue
December 09, 2005	28,065,305	2	2	46,775,508	93,551,016	-	Split of equity shares
July 24, 2006	8,250,000	2	2	55,025,508	110,051,016	Cash	Preferential Allotment
October 6, 2010	11,020,887	2	2	66,046,395	132,092,790	Cash	Shares allotted under qualified institutions placement

**Pursuant to the scheme of Amalgamation of The Associated Glass Industries Limited with our Company as approved by the High Court of Andhra Pradesh, the shareholders of the erstwhile The Associated Glass Industries Limited were allotted 67,500 equity shares of our Company, in the ratio of 15 equity share of ₹ 10 each of our Company for every two hundred equity shares held by them in erstwhile The Associated Glass Industries Limited*

***Pursuant to the scheme of Amalgamation of Krishna Ceramics Limited with our Company as approved by the High Court of Andhra Pradesh, the shareholders of the erstwhile Krishna Ceramics Limited were allotted 365,625 equity shares of our Company, in the ratio of 1 equity share of ₹ 10 each of our Company for every eight equity shares held by them in erstwhile Krishna Ceramics Limited.*

There were no allotments made in the last one year preceding the date of this Placement Document for consideration other than cash.

DIVIDEND POLICY

The declaration and payment of dividend by our Company is governed by the applicable provisions of the Companies Act 2013 and our Articles of Association. Under the Companies Act 2013, the board of directors of a company recommends the payment of a dividend and the shareholders approve of the same at a general meeting. In case of final dividend, it is recommended by the board of directors and approved by the shareholders at the annual general meeting (AGM) and is distributed and paid to shareholders in proportion to the paid-up value of their shares as on the record date for which such dividend is payable. Under the Companies Act 2013, dividends can only be paid in cash to shareholders listed on the register of shareholders or those persons whose names are entered as beneficial owner in the record of the depositary on the date specified as the 'record date' or 'book closure date'. Under the Companies Act 2013, a company may pay dividends only out of (i) its profits in the year in which the dividend is declared (after providing for depreciation); or (ii) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government; or (iii) accumulated profits earned by the company in the previous years and transferred by the company to the reserves in accordance with the Companies (Declaration and Payment of Dividend) Rules, 2014.

The table below sets forth the details of the dividends declared by our Company on its Equity Shares during the last three financial years:

Financial Year ending	Dividend per share (Rs.)	Amount of dividend declared exclusive of tax (Rs. million)
March 2014	3	198.1
March 2013	3	198.1
March 2012	3	198.1

The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

Dividends are payable within 30 days of approval by the Shareholders in an AGM. The Articles grant discretion to the Board to declare and pay interim dividends as appear to it to be justified by the profits of our Company. Unless otherwise directed in accordance with Section 206 of the Act, and dividend, interest or other moneys payable in cash in respect of any share may be paid by cheque or warrant sent by post to the registered address of the member or in the case of members registered jointly to the registered address of that one of the members registered jointly who is first named on the Register in respect of such share or to such person and such address as the member or members registered jointly, as case may be, may direct, and every cheque or warrant sent shall be made payable to the order of the person to whom it is sent.

Under the current Indian tax laws, dividends are not subject to income tax in India in the hands of the recipient. However, our Company is liable to pay a dividend distribution tax currently at the rate of 15% plus a surcharge at 10% on the dividend distribution tax and an education cess at the rate of 3% on dividend distribution tax and surcharge. With effect from October 1, 2014, dividends declared by a domestic company are required to be grossed up while making payment of dividend distribution tax. Thus, effective tax rate of dividend distribution tax from October 1, 2014 shall be 19.994% on amount actually distributed as dividend to the shareholders.

INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither the Company, nor the BRLMs or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

Overview of the Indian Economy

India is the fourth largest economy in the world, after the United States of America, European Union and China. (*Source: CIA World Factbook, 2013 - https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html*). As per the advance estimates released by the Central Statistics Office (CSO), the Indian economy is estimated to have registered a growth rate of 4.7% in 2013-14 (in terms of GDP at factor cost at constant prices). (*Source: Macro-Economic Framework Statement, 2014-15, http://indiabudget.nic.in/ub2014-15/frbm/frbm1.pdf*). A moderate recovery of the Indian economy is expected to set in during 2014-2015 broadly in line with the Reserve Bank of India's (RBI) indicated projections in January 2014. The pace of recovery, nevertheless, is likely to be modest. The recovery is likely to be supported by investment activity picking up due to part resolution of stalled projects and improved business and consumer confidence. In addition, external demand is expected to improve further during 2014-15 stemming from encouraging prospects for global growth, notwithstanding some recent loss in export growth momentum. (*Source: Macro-economic and Monetary Developments 2014-15(An Update), Reserve Bank of India*).

In 2014-15, the Indian economy is poised to overcome the sub-5 per cent growth of gross domestic product (GDP) witnessed over the last two years. The growth slowdown in the last two years was broad based, affecting in particular the industry sector. Inflation too declined during this period, but continued to be above the comfort zone, owing primarily to the elevated level of food inflation. Yet, the developments on the macro stabilization front, particularly the dramatic improvement in the external economic situation with the current account deficit (CAD) declining to manageable levels after two years of worryingly high levels was the redeeming feature of 2013-14. The fiscal deficit of the Centre as a proportion of GDP also declined for the second year in a row as per the announced medium term policy stance. Reflecting the above and the expectations of a change for the better, financial markets have surged. Moderation in inflation would help ease the monetary policy stance and revive the confidence of investors, and with the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects in 2014-15 and beyond. *(Source: Economic Survey 2013-2014 of the Ministry of Finance, Government of India, available at http://indiabudget.nic.in/survey.asp)*

Building Products Industry

With the steady growth in the construction sector in India over the past few years, there has been an increase in the use of various products, utilized either directly in the construction process or ancillary to it. However, the low per capita usage of key materials used in construction points towards the fact that the intensity of construction in India is still relatively low as compared to the other nations.

Real Estate in India

The real estate sector in India has evolved over the years, facilitated by various regulatory reforms, and has assumed greater prominence with the liberalisation of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space. In past several factors have led to inefficiencies in this sector, including, *inter alia*, factors such as irregularity in the registry of title deeds, absence of uniformity in local laws in the real estate sector and the applicability of such laws, lack of financing by the banks, high interest rates and transfer taxes and an inadequate transparent mechanism in the transaction values. This is now changing, and the sector has exhibited a trend towards greater organisation and transparency by various regulatory reforms, and therefore the real estate and construction sectors play a pivotal role in India's core infrastructure development.

Sanitaryware Products

In the past few years, the sanitaryware market in India has experienced a rapid growth which is expected to continue in the coming years. The driving force in the growth of the sanitaryware market can be attributed to several factors including overall growth of the economy, increasing urbanization, improved levels of awareness, and the increasing initiatives taken by the government. In addition, the growth of the real estate sector in India has further expedited the growth process in the sanitaryware market. India has also witnessed the increased focus of almost all major foreign sanitaryware brands, thus making the sanitaryware market more attractive. Additionally, it can be expected that exports from India will likely improve for sanitaryware products. The expanding urbanization, growing awareness about sanitation needs along with various initiatives and support by the Government to enhance sanitary conditions are also driving the domestic demand and sales of sanitaryware products in India. Companies, today, are able to manufacture quality products with accurate standards along with top machinery and quality measures.

Organized and Unorganized Markets in India

Every market can essentially be divided into two segments, the organised segment as well as the unorganised segment. The organised segment comprises of the large manufacturers and retailers. Mostly, an individual player in the organized segment has a larger scale of production as compared to an individual player in the unorganized segment. However, since there are larger numbers of manufacturers in the unorganized segment, the prices of the products offered by them is much lower/cheaper than the prices offered by their counterparts in the organised segment. These manufacturers play on volume rather than values. Normally, it is seen that it is the price that proves to be the most important element in the purchase process of the individuals.

Premium Sanitaryware Market in India

The urban population is increasingly showing inclination in favour of premium sanitaryware products available in the market on account of their increasing purchasing power which is influencing customers to shift from the basic or standard products to premium and luxury products. There is also growth in sales of premium level products due to growing per capita income and rising disposable incomes. The growth in the economy has caused an increasing trend in the purchasing power of individuals and with increased incomes available at one's disposal, the consumer has a tendency to move to a superior quality product in the higher price range.

Sanitaryware Market Penetration in India

Despite the fact that the sanitation condition in India appears to have improved in the recent years, it is still lower in comparison with the neighbouring nations. The low penetration level of sanitary ware in the nation demonstrates huge growth potential in this part of the Indian business sector.

Drivers

- *Increasing Urbanization*

With modernization, there is a growth in the demand for houses because of the increase in the system of nuclear families. The housing demand in India is increasing rapidly along with the purchasing power of the people. The interest in premium sanitaryware products has also witnessed an upward trend with the increase in the purchasing power of the consumers. The increased demand is majorly a consequence of new projects and an after effect of replacement market as well. Also, the growth in the housing sector with increased incomes, has also resulted in a growth in sanitary ware market.

- *Increasing Disposable Income/ Purchasing Power Parity*

There has been an improvement in the standard of living of the people due to the growth in the disposable income in India.

- *Growth in Housing Sector*

The growth in the residential real estate market in India has been on account of various factors including, *inter alia*, rise in disposable income, rapidly growing middle class, low interest rates, fiscal incentives, payments for housing loans, increasing urbanization, and nuclear family concept. The growth in the real estate sector has also been on account of various government initiatives. Few of the government initiatives include liberalization of foreign direct investment norms of 2005 as well as the introduction of laws for Special Economic Zones and allowing of private equity funds in the real estate sector. All these developments in the real estate sector are on account of the rising demands of multinational corporations (MNCs) and foreign investors. These developments are causing changes in the housing sector.

- *Growth in Hospitality Industry/Commercial Sector*

One of the important growth drivers for the commercial real estate sector still remains the information technology (IT) sector. It is expected that the real estate sector will grow further with the setting up of offices of a large number of IT based companies across the country. Further the Special Economic Zones (SEZs) are also expected to boost the development process. SEZs offer tax benefits which are attractive and lucrative for both the developers as well the occupiers. The demand for commercial space in the country is also likely to be driven by other sectors like banking and insurance, biotechnology and research and development. In addition, there are other factors which have a significant impact in the growth of commercial sector like technological advancement, changing lifestyle of people, and a growing middle class.

Sanitaryware Products - Challenges

One of the key challenges in the sanitary ware products market segment of India is the lack of awareness of the importance of sanitation, especially in view of the fact that majority of India's population live in rural areas and thus does not normally use sanitaryware products. The use of sanitaryware in the rural area is primarily restricted to water closets (WC) only. The sanitaryware products are majorly used by the urban population of the country which constitutes a minority population compared to the rural population in India. Thus, the overall sanitation condition of the country remains very low. However, sanitation conditions are expected to improve in view of the increase in Government's initiatives and hence overcome the challenge for the sanitaryware industry.

Packaging Products

Glass Containers

India is amongst the top fifteen markets for glass packaging globally and is growing at a rate of 8-10% per annum. However, the country's per capita consumption of container glass is low at 1.4 kilogram compared to other countries, exhibiting a significant opportunity for growth. Increasing health consciousness, acquisition of advanced technologies and strengthening of consumer connect will further drive the demand for glass packaging in the country. *(Source: Report titled "The Consumer Packaging Markets in India – A five year forecast to 2017-18" by Madras Consultancy Group ("MCG Report"))*

The primary user of glass packaging in India is the alcoholic beverages sector including beer, IMFL (India Made Foreign Liquor), wine and IMIL (India Made Indian Liquor). The other major users of glass packaging include carbonated soft drinks, food and beverages, pharmaceuticals, cosmetics and perfumery sector. Over the years, a number of applications including, pickles, sauce, ketchup, coffee, nutraceuticals (malted milk foods), pharmaceutical products, etc. have shifted from glass packaging to other packaging medium such as flexible packaging and PET bottles. Especially, in the nutraceutical sector, glass usage is almost nil or is negligible. The main reasons behind the shift were due to increasing glass cost and poor convenience in handling in terms of its weight and brittleness. Though in the recent past, there have not been any significant or notable shifts.

Glass packaging with numerous advantages, has neatly carved a niche for itself in the growing consumer packaging market in India. Growing volumes across all industries as well has helped glass packaging to retain its share in the consumer packaging market. Glass benefits such as its inertness, odourlessness, impermeability, re-usability etc. make it a preferred medium for packaging. Glass can also be indefinitely recycled without losing its technical quality and thereby reducing the energy requirement as well. Consumer's acceptance of glass as a premium packaging medium has helped several end-use manufacturers to better brand their products. In the alcoholic beverage sector, glass is preferred for its barrier properties compared to rigid plastics. In the cosmetics sector, it is preferred for both its unique designs and premium portrayal of the products packaged. Demand for carbonated soft drinks, especially from the rural and semi-urban markets continues to grow and the industry uses returnable bottles. In addition, glass containers are now available in varied sizes, colours and design, and some of the popular sizes of container glass manufactured in India range between 5 ml to 4,000 ml.

Adoption of the latest technologies and usage of automated machines in the manufacture of glass containers in the country has grown in the last decade. The traditional methods such as the mouth blown and hand crafted processes are used to make decorative and glass tableware products for the domestic and the export markets. Adoption of Narrow Neck Press and Blow (NNPB) technology has also helped Indian manufacturers to deliver light weight glass packaging solutions to their end users. *(Source: MCG Report)*

Industry Structure

The glass packaging industry in India is highly fragmented with the presence of large number of localized players and about 10 medium and large players. Many of these small manufacturers have minute furnaces with an installed capacity of 500 - 600 tonnes per day. The total installed capacity of the industry is about 8,600 tonnes per day, providing solutions to the various end-use sectors. The three large players in the industry together account for about 80% of the total installed capacity. The glass packaging market has witnessed a change, with manufacturers adopting modern equipment both for melting and production and to conserve energy, in the second half of the last century. It has currently equipped itself with some of the best technologies available, posing tough competition to global players. *(Source: MCG Report)*

Some of the other noted improvements are:

- A number of high volume capacity manufacturing units
- Technological improvement in manufacturing and finishing processes
- Growth in automation
- Growing export markets
- Increasing awareness towards environment and waste management

Drivers

There are various factors fuelling the demand for glass packaging in the country and some of these are:

- Positive economic outlook for the key users of glass as a packaging medium will push the demand;
- Glass is inert and does not input any taste/odour to the product packaged;
- Glass can be moulded into any shape or intricate design hence its attractiveness;
- Glass can be used for high speed fillings, thus saving time and increasing profitability;
- Glass container made from cullet or weight reduction technology saves energy. Each ton of glass recycled saves 322KwH of energy, 246 kg of CO_2 and 1.2 tonnes of virgin raw material;
- Glass is recyclable.

(Source: MCG Report)

Challenges

- *Cost*

Increase in the prices of raw materials is affecting the bottom-line of the glass manufacturing companies, which are facing the challenge of increasing prices of the raw materials and in recent years there has been a decline in the profit margins of the glass manufacturers in India. Prices of main input components such as soda ash, borax and furnace oil have increased. Over a period of time, the industry has had to face increase in costs, and margins have been affected by costs of fuels like soda ash, packing material, freight, manpower, electricity costs etc.

The industry has tried to control the price by focusing on energy efficiency, alternate fuel, reducing the freight impact etc. However, the major threat to the investment for further progressive measures by the industry is the margin squeeze, and the industry to players find it difficult to pass on the cost increase since the demand is lagging the capacity almost all time

- *Capital Expenditure*

Huge capital expenditure (capex) is involved in the glass industry as the capacity comes in large chunks.

Therefore pricing power is not in the hands of suppliers as at any time a new capacity may come in excess of supplies over demand. The manufacturers may experience margin squeeze before stabilising operations if the cost goes up during the period of excess supply. High interest costs have a negative impact on the cash flow if the capex is largely debt funded. When growth slows down or costs tend to be different from what was anticipated, investments by the industry in anticipation of growth can and mostly do turn out to be a high risk affair.

- *Packing and logistics*

The industry faces a major challenge in terms of packing and logistics. Packaging depends on logistic infrastructure and resources at the user end. There is difficulty to deliver loose glass without any breakage especially due to bad road conditions and the quality of vehicles used for such transportation.

- *Competition*

The Industry is highly competitive, in terms of marketing, distribution, service, tapping far off markets, on all counts both in the domestic market as well as in exports.

- *Need to promote the container glass industry*

In comparison to the other nations, the consumption of glass containers in India is low. Therefore, it is believed that there is a need to promote the container glass industry in order to foster growth in the segment, and one of the ways in which this can be achieved is to organise various campaigns to highlight the purity and environment friendly nature of glass.

- *Growing alternatives of glass in India*

The glass packaging industry is adversely affected by the growth in the alternatives that are available at a lower cost. These are given preference and thus have an adverse effect on the growth of the glass industry. However, the consumers will be able to satisfy their changing needs as the issues of fragility and bulkiness will be overcome by the key properties such as inertness, transparency, recyclability etc.

- *Awareness of Glass as eco-friendly packaging solutions*

It is believed that there is a need to create awareness among people about the benefits of glass especially its recyclability and its contribution to sustainable energy. One of the main advantages to conserve natural resources stems from the fact that container glass is 100% recyclable.

Key trends in the glass packaging market

There has been a significant growth in usage of automatic machines in container glass production over the years. The traditional mouth blown and handcrafted processes are used widely for manufacturing decorative and glass tableware products. Manufacturers in the organized sector are trying to use technology in such a way which improves the inherent characteristics of glass. This will help them to compete with other types of packaging materials. They are adopting technologies like Narrow Neck Press and Blow (NNPB) which makes glass 30% lighter than the normal manufacturing process. With the aid of the technology, the industry is also aiming at reducing the glass weight from the current 5% to 20% by 2015. This technology will also enable production lines to run at faster pace because there is less glass per container and less energy needed for cooling. *Source: MCG Report)*

Glass packaging market forecasts

Consumer glass packaging accounts for about 10% of India's Rs.472 billion consumer packaging industry. Consumer glass packaging market in India was valued at Rs. 45,560 million in 2012-2013 and is expected to grow at 8.2% per annum during the next five years. The trend will continue or even improve in the times to come due to rising disposable income and GDP rate. *(Source: MCG Report)*

PET Containers

Rigid plastic packaging products used for consumer packaging applications include bottles, jars, cups, tubs and pots, trays, tubes and pails. Rigid plastic materials such as polyethylene terephthalate (PET), which is the most commonly used rigid plastic material, high-density polyethylene (HDPE), poly propylene (PP), polyvinyl chloride (PVC), low-density polyethylene (LDPE) and polystyrene (PS) are used in the manufacturing of a wide range of containers that are used for dairy products, carbonated beverages, personal care, industrial products, chemicals, lubricants, etc. The market for rigid plastic packaging products in India has grown well in the recent years and stood at about Rs.122 billion equating to a volume of 1.1 million tonnes in 2012 - 2013. Beverages and non-food products account for around 80% of the total rigid plastic packaging market. *(Source: MCG Report)*

PET bottles are commonly used for beverage packaging. The majority of PET containers in India are narrow-mouth bottles which account for 75% of the total requirement. These bottles are used for mineral water, CSD, alcoholic beverage and edible oil. The balance 25% of PET containers is wide-mouth containers used for processed foods, tea, coffee, ghee, agrochemicals, pharmaceuticals, etc. PET is one of the most versatile, economical and the largest consumed polymer for packaging applications in all possible forms. PET is unbreakable, occupies less space, and is liked by consumers. PET resin will score over HDPE because of the increased usage in applications including bottled water, food and household chemicals, single-serve CSDs, milk, juice and sports drinks. PET's clarity and sparkle make it a perfect material for packaging of bottled water, CSD, cosmetics, household and personal care products. Other applications include juices and sports drinks. *(Source: MCG Report)*

The Indian PET packaging industry is trying to keep pace with the technological developments taking place around the world. Adoption of modern techniques by Indian industry is regarded as one of the reasons for rapid rise in the PET packaging consumption. Keeping in mind the growing problems of pollution, PET bottle manufacturers are trying to develop attractive packaging that pose the least threat to the environment. During the next five years, the market for PET is expected to be driven by bottled water, fruit beverages, pharmaceuticals and alcoholic beverages segment. Demand for PET and HDPE bottles has increased considerably in recent times because of the significant shift from unbranded/ unpackaged cooking oil to that of branded and packaged oil in bottles. PET bottles are slowly entering the alcoholic drinks market, which up till now was dominated by glass, and the fruit juice market, which has been dominated by paper cartons. *(Source: MCG Report)*

Usage of PET in India has more than doubled in the last five years and stood at about 530,000 tonnes in 2012-2013. The market of PET bottles is around Rs.62.5 billion and is growing at the rate of 12.5% per annum. Liquor and pharmaceutical companies are increasingly switching over to plastics as it is a more convenient form of packaging compared to glass. The PET packaging market is expected to reach Rs.113 billion by 2017-2018. Beverages accounted for about 57% of the total PET usage while non-food segments accounted for about 30% of the usage in 2012-2013. Within the beverages segment, CSD is the major user of PET and this market is estimated at Rs.18 billion - equating to a volume of about 154,000 tonnes. *(Source: MCG Report)*

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to HSIL Limited and its subsidiaries on a consolidated basis, and any reference to the "Company" refers to HSIL Limited on a standalone basis.

Unless otherwise indicated, all financial information included in this section have been derived from our Reformatted Consolidated Financial Statements for fiscal 2012, 2013 and 2014 included elsewhere in this Placement Document.

Overview

We are one of the leading manufacturers of building products and packaging products in India. We believe that we have established a strong brand name in the building products industry and also developed strong relationships with institutional customers in the packaging products as well as building products industry. Our business operations are broadly divided into two primary business segments: the building products division (Building Products Division) and the packaging products division (Packaging Products Division). The Building Products Division primarily consists of sanitaryware, bathroom fittings, faucets, wellness products and allied traded products such as vents. The Packaging Products Division primarily consists of glass bottles, PET bottles, caps, closures and containers. In fiscal 2012, 2013 and 2014, the Building Products Division contributed 42.39%, 42.37% and 47.39%, respectively, of our total income in such periods, while the Packaging Products Division contributed 49.01%, 46.88% and 46.50%, respectively, of our total income in such periods.

Building Products Division

We believe we are one of the largest manufacturers of sanitaryware products in India. We have established our market position in the building products industry through multiple brands and a wide range of products targeted at various price segments. Our products in this division include the following building products and certain other allied products:

- *Sanitaryware.* Our sanitaryware products include water closets, wash basins, pedestals, squatting pans and urinals. Our sanitaryware products also include polyvinyl chloride (PVC) cisterns, concealed cisterns, fittings and seat covers. Our sanitaryware products are sold under various brands, namely, Queo, Hindware Italian Collection, Hindware Art, Hindware, Benelave and Raasi, targeted at different market segments.

- *Faucets.* Our faucet products include showers, kitchen faucets and bathroom faucets which are sold under the Queo, Hindware Italian Collection, Hindware and Benelave brands.

- *Kitchen appliances.* Our kitchen appliances range includes hobs, chimneys and cooktops and are sold under the Hindware brand.

- *Wellness.* Our wellness products include bath tubs, shower panels, shower enclosures and whirlpools. The wellness products are sold primarily under the Amore and Hindware brands.

- *Allied products.* Allied products include seat cover, PVC cisterns, concealed cisterns and vents.

We have four building products manufacturing facilities in India which include, two sanitaryware facilities located strategically at Bahadurgarh in Haryana and Bibinagar in Telangana, as well as, two faucet manufacturing facilities at Bhiwadi in Rajasthan and Kaharani in Rajasthan. Our institutional clients in our Building Products Division have included or include, among others, Adani Township and Real Estate Company Private Limited, Ansal Properties and Infrastructure Limited, DLF Southern Homes Private Limited, Emaar

MGF Land Limited, Emami Realty Limited, Larsen & Toubro Limited, Lokhandwala Nestings Private Limited, M3M India Private Limited, NCC Limited, Omaxe Chandigarh Extension, Puravankara Projects Limited, RMZ Ecoworld Infrastructure Private Limited, Shapoorji Pallonji and Company Private Limited, TDI Infrastructure Limited, Prestige Estates Projects Limited and Vatika Limited.

We have over the years developed a large network of dealers and sub-dealers across India. As of December 31, 2014, our distribution network included approximately 3,000 dealers. As of December 31, 2014, we had also established 15 regional offices for effective distribution of our products across India. Our extensive sales and distribution network enables us to sell our building products to retail customers across India. In addition, we have more than 100 hindware galleria, and a number of hindware “shop in shops”. We also have 19 service centres and arrangements with a large number of plumbers who provide after sales service across India. We also market our building products through a number of exclusive showrooms and brand display centres across India. For example, as of December 31, 2014, we had set up three Hindware Lacasa display centres. In addition, we have also entered into various arrangements with e-commerce platforms for the sale of our building products online.

Packaging Products Division

We believe we are one of the largest manufacturers of packaging products in India including glass containers, PET bottles and specially coloured bottles. We manufacture glass containers, plastic containers, plastic caps and closures as well as specially coloured bottles for packaging beverages, food, liquor, beer and pharmaceutical products. Our packaging products cater to institutional clients across various industries including liquor, beer, food and beverages, chemical and pharmaceuticals sectors.

We have two glass container manufacturing facilities at Sanathnagar (Hyderabad) and Bhongir in Telangana, and two PET bottles manufacturing facilities at Selaqui in Uttarakhand and Dharwad in Karnataka. Our institutional customers in the packaging products business have included or include Abbott India Limited, Carlsberg India Private Limited, Diageo India Private Limited, Dr. Reddy Laboratories Limited, GlaxoSmithKline Pharmaceuticals Limited, Heinz India Private Limited, Hindustan Coca-Cola Beverages Private Limited, ITC Limited, Johnson and Johnson Limited, PepsiCo India Holdings Private Limited, Pfizer Limited, Radico Khaitan Limited, Ranbaxy Laboratories Limited, Reckitt Benckiser India Limited, SAB Miller India Limited, UI Beverages (P) Limited (a franchisee of Parle Agro), Unilever India Exports Limited, United Breweries Limited and United Spirits Limited.

Other Businesses

Our other businesses comprise primarily of our home interior solutions business and sale of specially designed sanitaryware for the elderly by our subsidiary in the U.K. In addition we also own two wind mills with an aggregate installed capacity of 2.5 MW. The home interior solutions business caters to both retail and institutional customers, and is established under the EVOK brand. As of December 31, 2014, the home interior solutions business had 19 retail outlets across India. In fiscal 2014, we also introduced franchisee operations focused on modular kitchens in India.

In fiscal 2012, 2013 and 2014, the other businesses division contributed 8.60%, 10.75% and 6.11%, respectively, of our total income in such periods.

We have over the years received several awards in recognition of our business and operations including the Trusted Brand – 2012 and 2013 awards from Reader’s Digest in the sanitaryware category, the Power Brand - 2012 award from Planman Marcom - 360 degree Marketing Communications and the Master Brand 2012 award from CMO Asia.

In fiscal 2012, 2013 and 2014, our total income was Rs.146,789.78 lakhs, Rs.176,510.88 lakhs and Rs.186,201.88 lakhs, respectively, while our profit after tax in such periods was Rs.9,354.77 lakhs, Rs.8,204.89 lakhs and Rs.3,398.10 lakhs, respectively.

Competitive Strengths

We believe we have the following competitive strengths:

Established brand in the building products industry

We believe we have established a strong brand name in the building products industry in India, particularly for sanitaryware products. Our brand has been strengthened through delivery of quality products at competitive prices, development of a pan-India network of dealers and sub-dealers as well as intensive and strategic marketing efforts to create brand awareness among our customers. Our sustained marketing efforts have included the print, electronic and other advertisement media, exhibitions and outdoor promotions directed at retail customers, as well as training sessions and exhibitions involving our dealers and sub-dealers. We believe that the implementation of our marketing and branding strategy over the past few years have enabled us to develop a strong brand in our industry segment and is a key competitive strength that we intend to continue to leverage in executing our product diversification strategy.

Diversified building product offerings across different price segments

We offer a wide range of building products across different price segments which are used in domestic and commercial applications. Our range of building products allows us to effectively address the diverse requirements of our end customers and enables our dealers and distributors to source most of their building products requirements from a single source. We have over the years leveraged our product design, development and manufacturing capabilities to develop a diversified range of sanitaryware, faucets and wellness products across various price segments. In addition, we leverage our extensive distribution network to identify and meet the requirements of various sections of the market and the customer demands and preferences in major cities as well as in tier II or tier III cities and towns. Our various categories and brands include luxury brands such as Queo, Amore, Hindware Italian Collection, premium products under Hindware Art and mass or standard products under the Hindware, Benelave and Raasi brands.

Extensive distribution network for our building products

We have established an extensive distribution network across India for our building products which included approximately 3,000 dealers as of December 31, 2014. We have also set up 15 regional offices across India for effective distribution of our products. Our extensive sales and distribution network enables us to sell our building products to retail customers across India. In addition, as of December 31, 2014, we had more than 100 hindware galleria, and a number of hindware “shop in shops”. We also have 19 service centres and arrangements with a large number of plumbers across India for such services. We also market our building products through exclusive showrooms and brand display centres across India. As of December 31, 2014, we had set up 3 Hindware Lacasa display centres. We have also entered into arrangements with various e-commerce platforms for the sale of our building products online. We believe that our dealership network, strategic location of our manufacturing facilities and proximity to dealers and markets enable us to minimise delivery schedules and transportation expenses as well as provide effective customer service.

Strong relationships with institutional customers in our packaging products business

We maintain strong relationships with institutional customers, particularly in the Packaging Products Division. We offer a wide range of packaging products such as glass containers, PET bottles, caps, closures, containers and specially coloured bottles of various shapes and sizes which cater to a diverse portfolio of customers for packaging beverages, food, liquor and pharmaceutical products. We believe that our product development initiatives have enabled us to establish strong relationships with customers. Our quality standards and varied range of packaging products also enable us to effectively address the requirements of our customers across different industries and develop and maintain our relationships with such institutional customers. Our institutional customers in the Packaging Products Division have included or include Abbott India Limited, Carlsberg India Private Limited, Diageo India Private Limited, Dr. Reddy Laboratories Limited, GlaxoSmithKline Pharmaceuticals Limited, Heinz India Private Limited, Hindustan Coca-Cola Beverages Private Limited, ITC Limited, Johnson and Johnson Limited, PepsiCo India Holdings Private Limited, Pfizer Limited, Radico Khaitan Limited, Ranbaxy Laboratories Limited, Reckitt Benckiser India Limited, SAB Miller India Limited, UI Beverages (P) Limited (a franchisee of Parle Agro), Unilever India Exports Limited, United Breweries Limited and United Spirits Limited.

Strategically located manufacturing facilities

Our manufacturing facilities for building products as well as packaging products are strategically located so as to serve major markets. We have four building products manufacturing facilities in India which include, two sanitaryware facilities located strategically at Bahadurgarh in Haryana and Bibinagar in Telangana,as well as, two faucet manufacturing facilities at Bhiwadi in Rajasthan, and Kaharani in Rajasthan. In addition, we have also set up two glass container manufacturing facilities at Sanathnagar and Bhongir in Telangana, and two PET bottles manufacturing facilities at Selaqui in Uttarakhand and Dharwad in Karnataka. Through such manufacturing facilities located across India, we benefit from access to markets in north India through the Bahadurgarh facility in Haryana, Bhiwadi and Kaharani facilities in Rajasthan, and Selaqui facility in Uttarakhand, and in south India through our Bibinagar, Bhongir and Sanathnagar facilities in Telangana and the Dharwad facility in Karnataka. Our manufacturing facilities are generally located in proximity to our raw material sources, thereby enabling us to reduce transportation costs of raw materials. For example, the Bahadurgarh facility in Haryana procures raw material for sanitaryware products from nearby mines. Our glass container manufacturing facilities located in Telangana caters to the various alcoholic beverage and other bottling operations located in nearby regions.

Extensive product development capabilities

We have over the years strengthened our product development capabilities in our building products business, focused on introduction of new green building products, modifying our range of products for local applications as well as improving cost and operational efficiencies. We have a research and development team that focuses on developing cost-effective alternative raw materials, improving our manufacturing processes and ensure quality standards for our products. We also focus on direct sourcing of raw materials at competitive prices. We also continue to ensure ongoing improvements in our product development and manufacturing process to ensure reduced process wastages and improve operating efficiencies.

Stringent quality standards

We have developed stringent quality assurance processes to enhance our product quality. Our products undergo a series of quality tests and checks that enable us to ensure lower rejection rates and minimal customer complaints. We have also received various awards associated with our quality standards. For instance, we have received IAMPO certifications for 13 sanitaryware products as a recognition of their water efficiency. In addition, as a result of our quality assurance efforts our Bahadurgarh facility has received ISO 14001:2004, OHSAS 18001:2007 and ISO 9001:2008 certifications in relation to the manufacturing and sale of vitreous china sanitaryware. We believe that our stringent manufacturing standards and quality products also enable us to develop strong relationships with our dealers, distributors and the end consumer of our products. Our building products involve advanced technologies, processes and manufacturing know-how. We have entered into a technical support agreement with Neue Glaswerke GroBreitenbach GmbH & Co. KG, Germany (Weigand Glas) in relation to certain products. The agreement provides access to AGI Glaspac to the technical know-how of Weigland Glas in relation to issues relating to batch house, furnaces, production processes, cold-end inspection and packaging for the plant in Hyderabad.

Experienced management team

We believe that our qualified and experienced management team provides us significant competitive advantage and enables us to function effectively and efficiently. Our Chairman and Managing Director, Mr. Rajendra Kumar Somany has several years of experience in the building products industry especially in sanitaryware products industry. He is supported by our Joint Managing Director, Mr. Sandip Somany, together with an experienced management team with experience in manufacturing of building products and packaging products, supply chain management, finance, marketing, sales, research and development. We believe that our effective senior management team enables us not only to conceptualize and develop new products but also effectively market such products in India.

Business Strategies

Continue to expand our distributor and customer base

We intend to grow our business by adding new dealers and customers in existing and new markets. We also undertake sale of certain building products online through our arrangements with certain e-commerce platforms. In addition, we also intend to leverage our distribution network and existing relationships to increase our revenues. We believe that our strong marketing capabilities, wide distribution network and established relationships with our existing dealers and customers as well as our wide range of building product offerings at various price segments will enable us to expand our dealer and customer base. We also aim to strengthen relationships with beverage companies by increasing our capabilities in providing products of different shapes, sizes and colours. We believe that our dealer and customer focused services, as well as our range of building products at various price segments, will continue to differentiate us from our competitors and help enhance our dealer and customer base.

Continue to focus on improved operational efficiencies and increased cost competitiveness

We continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs and invest in modern technology and equipment to upgrade the quality and functionality of our products to address changing industry trends and consumer requirements. We continue to adopt best practices and standards across our manufacturing facilities, and increase operating efficiencies through product planning, increasing utilization rates and reducing the unit cost of production. We continue to target economies of scale to gain increased negotiating power on procurements and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions. For instance, we will continue to employ cost effective manufacturing strategies such as use of alternate fuel such as pet coke to fire the glass furnaces. We will also continue to engage in contract manufacturing of certain products to ensure cost efficiencies.

Increase manufacturing capacity

We intend to further increase our manufacturing capacities for building products as well as packaging products, targeted at increasing our market share across India. We believe that increasing capacity of strategically located manufacturing facilities or addition of new facilities to serve existing as well as new markets will enable us to reduce transportation expenses and provide improved cost efficiencies for sales and expansion. In addition, we are also focused on debottlenecking of existing facilities to increase manufacturing capacities and improve operating efficiencies.

Leverage our established brand and large distribution network to introduce additional products

We intend to leverage our brand and large distribution network to market and distribute other related products. We also intend to continue to pursue strategic collaboration opportunities with reputed brands that are likely to increase our building products portfolio. In the last several years we have added additional products such as domestic water heaters and vents to our portfolio through distribution arrangements with manufacturers. For example, we have entered into a distribution agreement with Atlantic International for the distribution in India of domestic water heaters under the Hindware Atlantic brand. Similarly, we sell vents and extractor fans in India under a distribution agreement with Ventilation Systems.

Continue to offer diverse range of building and packaging products catering to different segments

We believe that we have established a strong brand and market position in the building products and packaging products industry in India, particularly for sanitaryware products. Our comprehensive range of products caters to various categories of customers and offers solutions for premium requirements as well as basic requirements. While we continue to introduce and market premium brands such as Queo and Amore, we also continue to develop the market for standard brands such as Benelave and Raasi to cater to smaller towns and cities and the growing demand for quality products for residential projects targeted at the middle income segment. We continue to introduce new building products such as faucets, wellness products and kitchen appliances, which complement our traditional range of sanitaryware products. We also continue to focus on branding and marketing initiatives through various media across India and introduce attractive marketing and packaging materials for our products to target growth opportunities across evolving product segments.

Our Products

We offer a range of building and packaging products for our customers. Our principal products lines and products include:

Building Products Division

We believe we are one of the leading manufacturers in India in the organised sanitaryware industry. Our building products include sanitaryware, faucets, kitchen appliances, wellness products and other related products such as extractor fans. These products are sold under various brands that cater to a wide range of customers across different price segments. In addition to our sanitaryware and faucet products, we also have a range of other products such as PVC cisterns, fittings, seat covers, bathtubs, showers, shower enclosures, whirlpools, bath accessories, kitchen chimneys and hobs and vents.

Our building products include:

- *Queo.* Queo branded building products include a range of imported bathroom products.

- *Amore.* Amore branded products include a range of luxury wellness and spa products including massage tubs, shower enclosures and shower panels.

- *Hindware Italian Collection* and *Hindware Art.* These premium collection brands include cisterns, urinals, water closets and wash basins.

- *Hindware.* The Hindware brand offers a range of quality products with modern designs including sanitaryware, bathroom fittings and kitchen appliances. The Hindware brand also includes a faucet collection which consists of 17 ranges of products and are manufactured using advanced technology. Kitchen appliances sold under the brand include chimneys, hobs and built-in ovens.

- *Benelave.* Benelave offers a range of bath fittings, accessories and sanitaryware.

- *Raasi.* The Raasi range of products includes a basic range of sanitaryware products targeted at smaller cities and towns and the middle and low income market segment.

- *Other related products.* We have also entered into a distribution arrangement with Atlantic International for the distribution in India of domestic water heaters under the Hindware Atlantic brand, as well as a distribution arrangement for vents and extractor fans with Ventilation Systems.

Our institutional clients in our Building Products Division have included or include, among others, Adani Township and Real Estate Company Private Limited, Ansal Properties and Infrastructure Limited, DLF Southern Homes Private Limited, Emaar MGF Land Limited, Emami Realty Limited, Larsen & Toubro Limited, Lokhandwala Nestings Private Limited, M3M India Private Limited, NCC Limited, Omaxe Chandigarh Extension, Puravankara Projects Limited, RMZ Ecoworld Infrastructure Private Limited, Shapoorji Pallonji and Company Private Limited, TDI Infrastructure Limited, Prestige Estates Projects Limited and Vatika Limited .

Packaging Products Division

We manufacture glass bottles, plastic bottles, caps, closures and containers as well as specially coloured bottles in India for packaging beverages, food, liquor, chemicals and pharmaceutical products, and cater to a diverse portfolio of clients. We have two glass container manufacturing facilities at Sanathnagar and Bhongir in Telangana, and two PET bottles manufacturing facilities at Selaqui in Uttarakhand and Dharwad in Karnataka. Our glass packaging products typically cater to institutional customers across various industries including alcoholic beverages and aerated and non-aerated non-alcoholic beverages. Our glass and PET packaging products also cater to the food processing, chemical and pharmaceuticals industries. Our institutional customers in the packaging products business have included or include Abbott India Limited, Carlsberg India Private Limited, Diageo India Private Limited, Dr. Reddy Laboratories Limited, GlaxoSmithKline Pharmaceuticals Limited, Heinz India Private Limited, Hindustan Coca-Cola Beverages Private Limited, ITC Limited, Johnson and Johnson Limited, PepsiCo India Holdings Private Limited, Pfizer Limited, Radico Khaitan Limited, Ranbaxy Laboratories Limited, Reckitt Benckiser India Limited, SAB Miller India Limited, UI Beverages (P) Limited (a franchisee of Parle Agro), Unilever India Exports Limited, United Breweries Limited and United Spirits Limited.

Our glass container packaging facilities are equipped with technology that enables it to function on both natural gas and low sulphur heavy stock oil, furnace oil or pet coke. In addition, our manufacturing facility also has access to mould making, quartz mining and printing/applied colour labelling facilities. We have also adopted technology to manufacture bottles of multiple colours, shapes and designs as per customer requirement. Our glass packaging products range from 5 ml to 2500 ml in capacity. Our glass packaging products are usually produced in amber, flint and green colors. We are also capable of manufacturing special coloured bottles such as dead leaf green and blue as well as print permanent logos on glass bottles.

Other Businesses

Our other businesses primarily include our home interior solutions business and sale of specially designed sanitaryware for the elderly by our subsidiary in the U.K. In addition we also own two wind mills with an aggregate installed capacity of 2.5 MW. The home interior solutions business caters to retail and institutional customers. Our home interior products are sold under the Evok brand. As of December 31, 2014, we had 19 retail outlets across India for these products, and in fiscal 2014 we introduced franchise operations under the Evok brand for modular kitchens.

In fiscal 2012, 2013 and 2014, the other businesses division contributed 8.60%, 10.75% and 6.11%, respectively, of our total income in such periods.

Manufacturing Facilities

Building Products

We have four manufacturing facilities in India located strategically at Bahadurgarh in Haryana, Bibinagar in Telangana, Bhiwadi in Rajasthan, and Kaharani in Rajasthan for manufacture of building products.

We have temporarily discontinued operations at our Bhiwadi facility to focus on increasing capacity utilization at our Kaharani facility. We may in the future expand our manufacturing facilities, particularly in the western region of India. We continue to focus on debottlenecking and equipment balancing activities in our facilities to increase operating efficiencies and capacity utilization.

Packaging Products

We have four manufacturing facilities in India located strategically at Sanathnagar (Hyderabad) in Telangana, Bhongir in Telangana, Selaqui in Uttarakhand and Dharwad in Karnataka for the manufacturing of our packaging products.

Raw materials

Raw materials used in the manufacture of our building products include minerals such as ball clay, china clay, silica sand, feldspar powder and other special clays from mines in India. In relation to our glass bottle manufacturing process we typically require raw materials such as sand, soda ash, limestone, felspar and glass cullets. Similarly for the manufacture of PET bottles the primary raw material required is polyethylene terephthalate (PET).

Manufacturing Process

Building Products

The following processes are involved in the manufacture of our sanitaryware products:

- *Block making.* The designs of the products are finalized, and thereafter the approved models of plaster of paris are prepared and, based on the models, mother moulds of each of the products are made. Casting trials are carried out to prepare a few batches of products for testing. Thereafter, the blocks are finalized and used for mould making. Each part of the mould has a separate block and casing which is kept in stock and used to make the moulds subsequently. These block parts are suitably assembled to get the moulds which are then sent to the cast shop.

- *Preparation of moulds.* In order to manufacture sanitaryware, plaster of paris is either manufactured or purchased from the market. The raw material for plaster of paris is gypsum. The moulds are manufactured with plaster of paris and the moulds are then dried before being issued to the casting process.

- *Slip house.* Various raw materials such as china clay, ball clay, feldspar and pre-ground silica mixed with water are blunged into the blunger to make slip slurry. Initially ball clay and then other clay are blunged together, and then feldspar powder, china clay and ground silica are added. This is sieved to eliminate coarse particles and passed through magnets to eliminate free iron particles. This is then stored in tanks and issued to the casting department. Some anti-settling agents are added into the slurry.

- *Mill house – preparation of glaze.* Various minerals such as calcite, quartz and feldspar are fine ground and mixed with china clay, talcum powder and other chemicals with a suitable binder. For the white glaze, zirconium is added and for colour glaze ceramic colours that are high temperature resistant are added. These are ground together in the ball mill and the glaze which can be sprayed on cast and dried pieces is produced.

- *Casting.* The prepared slip is aged in the slip house, and after testing is pumped into various tanks in the cast shop after addition of certain chemicals. This slip is poured into moulds by use of pumps. The slip is allowed to remain in the mould for approximately two hours and then drained out. The piece is removed from the moulds to the setter and allowed to dry.

- *Drying.* The finished cast pieces from casting shop are loaded onto cars and put into dryer chambers which are operated using waste heat recovered from the kiln. The pieces are dried in above 100 degree Celsius to remove all residual moisture and to make them bone dry.

- *Pre-glaze inspection.* The pieces which are removed from the dryer are inspected for any kind of surface defects, and are corrected for fine surface finish by sponging and scrapping. In addition, certain physical checks are carried on for bad finish and cracks and corrective action is taken where required.

- *Glazing.* The pieces from the pre-glaze inspection are handed over to the glazers. The glaze is then sprayed on to the pieces in the spray booth using spray guns and compressed air. A fine coat of glaze is thus deposited on the pieces which are allowed to air dry.

- *Glaze drying.* The glazed pieces are air dried for two to three hours. Thereafter, they are loaded onto the kiln cars and sent to glaze dryers. This glaze dryer uses waste heat and dries the glazed pieces at approximately 60 to 70 degree Celsius.

- *Firing.* These glazed pieces already loaded on to the kiln cars are checked visually and cleaned using compressed air. These cars are then fired in the kiln at more than 1200 degree for a 13 to 14 hour cycle. The pieces that are finally received out of the kiln are unloaded from the kiln cars (while loading on the kiln cars, reusable refractory setters are used as required).

- *Quality assurance.* The material received from the kiln is tested for defects and all relevant data such as potter number, inspector number, and the product classification are all recorded and transferred to our SAP enterprise resource planning package. The defective pieces are then sent back for rectification.

- *Re-fire.* The defective pieces which have surface defects are marked for refire and sent to the refire section. At the refire section, specially trained stoppers carry out surface correction on the pieces and spot glaze the defective pieces. Thereafter, the corrected pieces are loaded onto the kiln car and sent to the refire kiln for second firing after which the pieces are again sorted by sorters in the quality assurance section.

- *Quality inspection.* Following completion of the processes products are separated into batches and samples from each batch are subject to our routine functional tests and then approved for despatch.

Packaging Products

Our packaging products manufacturing facility is integrated with mould making and printing (applied colour labelling). Our glass bottles are typically flint, amber and green in colour and are of various shapes and designs according to customer specifications and catering to specific requirements in the alcoholic beverage, aerated and non-aerated beverages, pharmaceutical and processed food industries. In addition, we are capable of producing specially coloured bottles at an industrial scale.

Glass Container

Glass container facilities are broadly divided into three major areas, the batch house, the hot end and the cold end. The batch house is concerned with raw materials. The hot end includes furnaces, machines that produce the containers (forming machines) and annealing ovens. The cold end includes the inspection and packaging equipment.

- *Batch house.* The batch house holds the raw materials for glass manufacturing, such as, sand, soda ash, limestone, felspar and glass cullets. These materials are received (typically by truck or rail transport) and elevated into storage silos. From the silos they are weighed out into batches of several tonnes, using common glass batch calculation procedures. The batch is then mixed and sent to silos over the furnace.

- *Furnace.* The hot end of a glassworks is where the molten glass is formed into containers, beginning when the batch is fed at a slow controlled rate into the furnaces. The furnaces are natural gas or fuel oil or pet coke fired and operate at temperatures up to 1,675 degree Celsius. Glass furnaces typically operate an energy recovery scheme known as regeneration. The hot exhaust gas flow back over one of two piles of loosely packed bricks, called regenerators. These bricks become hot and every 20 to 30 minutes the flow of the combustion system is changed so that the combustion air, which is mixed with the gas, is drawn through the heated bricks, and the combustion exhaust flows through the other pile of bricks. The batch melts inside the furnace and is maintained as a pool of molten glass. The molten glass flows from a subducted channel, known as the furnace throat, into the refiner and fore hearth channels. These channels transport the glass to the glass bottle forming machines. These channels cool the glass so that the glass at the forming machine is of a uniform and exact temperature.

- *Forming process.* There are currently two primary methods of making a glass container, the blow and blow method and the press and blow method. In all cases a stream of molten glass at its flow temperature (1050 degree Celsius to 1200 degree Celsius) is cut by a shearing blade to form a cylinder of glass called a gob. Both of the processes start with this gob falling by gravity and guided by troughs and chutes into the blank moulds. In the blow and blow process, the glass is first blown from below into the blank moulds to create a parison or pre-container. This parison is then flipped over into a final mould, where a final blow, blows the glass out in to the mould to make the final container shape. In the case of press and blow, the parison is formed by a metal plunger which pushes the glass out into the blank mould. The process then continues as before, with the parison being transferred to the mould, and the glass being blown out into the mould.

- *Forming machines.* The forming machines hold and move the parts that form the container. Generally powered by compressed air, the mechanisms are timed to coordinate the movement of all these parts so that containers are made. The most widely used forming machine arrangement is the individual section machine (or IS machine). This machine has a bank of five to 20 identical sections, each of which contains one complete set of mechanisms to make containers. The sections are in a row, and the gobs feed into each section via a moving chute, called the gob distributor. These sections make either one, two, three or four containers simultaneously (referred to as single, double, triple and quad gob). In the case of multiple gobs, the shears cut the gobs simultaneously, and they fall into the blank moulds in parallel.

- *Internal treatment.* After the forming process, some containers, particularly those intended for alcoholic spirits, undergo a treatment to improve the chemical resistance of their inside, called internal treatment or dealkalization. This is usually accomplished through the injection of a sulfur or fluorine containing gas mixture into bottles at high temperatures. The gas is typically delivered to the container either in the air used in the forming process (that is, during the final blow of the container), or through a nozzle directing a stream of the gas into the mouth of the bottle after forming. The treatment renders the container more resistant to alkali extraction, which can cause increases in product pH, and in some cases container degradation.

- *Annealing.* As glass cools it shrinks and solidifies. Uneven cooling causes weak glass due to stress. Even cooling is achieved by annealing. An annealing oven (known in the industry as a Lehr) heats the container to about 580 degree Celsius then cools it, depending on the glass thickness, over a period of 20 to 60 minutes.

- *Cold end.* The role of the cold end is to inspect the containers for defects, label the containers and package the containers for shipment.

- *Inspection equipment.* Every glass container is carefully inspected by automatic machines which inspect for a variety of faults. Typical faults include small cracks in the glass called checks, foreign inclusions such as stones, bubbles in the glass called blisters and excessively thin walls. In addition to rejecting faulty containers, inspection equipment gathers statistical information and relays it to the forming machine operators in the hot end. Computer systems collect fault information to the mould that produced the container. This is done by reading the mould number on the container, which is encoded (as a numeral or a binary code of dots) on the container by the mould that made it. Additionally, our operators carry out a range of checks manually on samples of containers, which are usually visual and dimensional checks.

- *Secondary processing.* Sometimes container factories will offer services such as labelling. Several labelling technologies are available and in relation to glass we have the applied ceramic labelling process (ACL). This is screen-printing of the decoration onto the container with a vitreous enamel paint, which is then baked on.

- *Packaging.* Glass containers are packaged in various ways. This is carried out by automatic machines (palletisers) which arrange and stack containers separated by layer sheets. Other possibilities include boxes and even hand sewn sacks. Once packed the new “stock units” are labelled and warehoused.

- *Coatings.* Glass containers typically receive two surface coatings, one at the hot end, just before annealing and one at the cold end just after annealing. At the hot end a very thin layer of tin oxide is applied either using an organic compound or inorganic stannic chloride. Tin based systems are not the only ones used, although the most popular. Titanium tetrachloride or organo titanates can also be used. In all cases the coating renders the surface of the glass more adhesive to the cold end coating. At the cold end a layer of polyethylene wax, is applied via a water based emulsion. This makes the glass slippery, protecting it from scratching and stopping containers from sticking together when they are moved on a conveyor. The resultant invisible combined coating gives a virtually unscratchable surface to the glass. Due to reduction of in-service surface damage the coatings are described as strengtheners.

- *Ancillary Processes – Compressors and Cooling.* Forming machines are largely powered by compressed air and a typical glass works will have several large compressors to provide the needed compressed air. Furnaces, compressors and forming machine generate quantities of waste heat which is generally cooled by water. Hot glass which is not used in the forming machine is diverted and this diverted glass (called cullet) is generally cooled by water, and sometime even processed and crushed in a water bath arrangement. Often cooling requirements are shared over banks of cooling towers arranged to allow for backup during maintenance.

PET Bottles

PET bottles are manufactured through the injection stretch blow moulding (“ISBM”) process. In this process the polyethylene terephthalate (PET) is heated and placed in a mould, where it assumes the shape of a long, thin tube. The process by which the plastic is forced into the mould is called injection moulding. The tube of PET, called a preform, is then transferred into a second, bottle-shaped mould, called blow mould. A thin steel rod, called stretch rod, is slid inside the preform and the preform stretched to the required length after which it is passed to the next stage which is blow moulding. As a result of the pressurized air, heat and pressure, the preform is blown and stretched into the mould, assuming a bottle shape.

The mould is then cooled relatively quickly, so that that the newly formed component is set properly. There are several cooling methods, both direct and indirect, that can effectively cool the mould and the plastic. In ISBM technology, water is coursed through pipes surrounding the mould, to indirectly cool the mould and plastic.

Once the bottle has cooled and set, it is ready to be removed from the mould through a process called ejection. After removing the bottle from the mould, it is sent for quality checks and is then packed and stored for transportation.

Technology

Our manufacturing facilities involve proprietary technology and know-how for the production of our building and packaging products. We have also entered into a technical support arrangement with Neue Glaswerke GroBreitenbach GmbH & Co. KG, Germany (Weigand Glas) in relation to certain products. The agreement provides access to AGI Glaspac to the technical know-how of Weigland Glas in relation to issues relating to batch house, furnaces, production processes, cold-end inspection and packaging for the plant in Hyderabad.

We have implemented a SAP-ERP system that cover critical plant and machinery maintenance, production planning, vendor accounts, raw material stocks, inventory management, finance, sales, stores, purchase, warehouse operations and payroll.

Distribution and Marketing

We have developed a large network of dealers and sub-dealers across India for our building products. As of December 31, 2014, our distribution network included approximately 3,000 dealers. We have also set up 15 regional offices for effective distribution of our products. Our extensive sales and distribution network enables us to sell our building products to retail customers across India. In addition, we have set up over 100 hindware galleria and a number of hindware "shop in shops". We have also set up 19 service centres across India. We also market our building products through establishment of exclusive showrooms and brand display centres across the country. We have launched three Hindware Lacasa display centres. We have also entered into various arrangements with e-commerce platforms for the sale of our building products online. Our home interior brand Evok has set up 19 retail outlets across India. In fiscal 2014, Evok introduced franchisee arrangements in India, focused on modular kitchens.

We believe we have established a strong brand name in the building products industry in India. Our brand has been strengthened through delivery of quality products at competitive prices, development of an expansive pan-India network of dealers and sub-dealers as well as intensive and strategic marketing efforts to create brand awareness among our target customer segments. In relation to our building products and home interior solutions, our sustained marketing efforts have included the print, electronic and other advertisement media, exhibitions and outdoor promotions directed at retail and institutional customers as well as training sessions and exhibitions involving our dealers, and sub-dealers. In addition, in order to facilitate the understanding of the distinctive features, benefits and applications of our building products as well as assistance with usage and installation, we have prepared product catalogues, technical and installation manuals as well as audio - visual CDs. We also continue to train plumbers and other primary users of our building products by organizing workshops across India.

Quality Assurance

We are committed to ensuring quality standards in our products and manufacturing processes. Our products pass through quality tests, and our quality assurance team monitors at various stages of the manufacturing process and performs finished product inspections to ensure the quality of our products. Our quality control team also performs root cause analysis of any non-conformances in order to continuously improve our production processes. Our quality assurance initiatives also include the continuous improvement of our manufacturing processes and reduction of internal rejection through comprehensive process audits and control. As a result of our quality assurance efforts our Bahadurgarh facility has received ISO 14001:2004, OHSAS 18001:2007 and ISO 9001:2008 certifications in relation to the manufacturing and sale of vitreous china sanitaryware. We have also received IAMPO certifications for 13 sanitaryware products as a recognition of their water efficiency. Specific quality control procedures for our building and allied products include ensuring that the pieces undergo checks, recording of data of each piece including potter number, inspector number and the product classification.

Awards

We have received various awards in recognition of our business and operations including the following:

- Superbrands 2013-2014 from Superbrands India;
- Asia's Most Promising Brand 2012-2013" by iBrands 360, a World Consulting and Research Corporation Enterprise;
- Trusted Brand – 2012 and 2013 from Reader's Digest in the sanitaryware category;
- Best WC Design at Good Homes Awards 2013;
- Power Brand 2012 from Planman Marcom- 360 Degree Marketing Communications and

- Master Brand 2012 by CMO Asia Council.

Employees

We consider our human resources as a critical factor to our success and engage in a human resource strategy that addresses key aspects of human resource development and focuses heavily on recruiting, training and retaining our employees, as well as offering them competitive compensation. In addition to a base salary and performance-linked incentives, we provide a number of benefits to our employees. Majority of our employees are also members of trade unions and in the past we have faced labour unrest including strike. We also engage contract labour depending on our requirements from time to time, particularly at our manufacturing facilities.

Occupational Health and Safety

We are committed to the occupational health and safety of our workers. The management regularly sets health and safety targets to continually reduce risk of harm to employees and visitors to operational facilities. We maintain an occupational health and safety management system that defines guiding principles and standards for occupational health and safety performance. We have set up health and safety procedures at operational facilities with participation from our employees. Appropriate safety equipment is provided to our employees and visitors to operational facilities. Our operational facilities are regularly audited to ensure compliance for areas in which they operate, as well as for compliance with safety management system. In addition, any health and safety incidents are investigated and corrective actions developed. In addition, there are regular reports to management on our health and safety performance.

Competition

We sell our building products in highly competitive markets. Certain competitors may be larger than us and may have significantly greater financial resources than us. As a result, to remain competitive in our markets, we continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. The building products industry is to an extent localised, fragmented and unorganised and therefore we compete with other manufactures in both the organised as well as the unorganised sector. Competition is primarily based on availability of product, product range, quality, price, reputation, customer service and customer convenience. There are limited entry barriers in our industry and increase in capacity of our competition is likely to further intensify competition. Some of our major competitors in the building products industry include CERA Sanitaryware Limited, Parryware Roca Private Limited and The Kohler Company. However we believe that our wide portfolio of building products provides us with a competitive advantage over other manufacturers. In addition, our long standing history, marketing initiatives, use of advanced technology, management of resources, scale of operations and geographically expansive facilities provide us with certain competitive advantages.

In the packaging products business, we compete with several Indian and a few international manufacturers, including Hindusthan National Glass and Industries Limited and Piramal Glass Limited. In the packaging products industry involve limited entry barriers such as specific industry approvals. Due to the nature of our packaging products, competition is based primarily on demand and price. Some competitors may have a broader range of packaging products which are subject to different margin pressures which makes them less susceptible to cyclical downturns.

Intellectual Property

We own certain trademarks under which our buildings products are sold, including HSIL, Hindware, Queo, Hindware Italian Collection, Benelave and Raasi as well as certain other trademarks registered under various classes. These trade marks are integral to our building products business, and the loss of any of these intellectual property rights may have a material adverse effect on our building products business. Also from time to time, we may encounter disputes over rights and obligations concerning intellectual property and there can be no assurance that we will prevail in any such intellectual property disputes and oppositions.

Insurance

We maintain insurance cover for our assets to cover all normal risks associated with operations of our business, including fire, accidents and other natural disasters. We typically maintain standard fire and special perils insurance policies for our plants and machineries and buildings at our manufacturing facilities to cover risks such as fire and other ancillary perils. We also maintain burglary policies apart from general insurance policies. Further, our operations are subject to hazards inherent in our industry and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Not all risks associated with our business and operations may be insurable, on commercially reasonable terms, or at all. Although we believe that the amount of insurance currently maintained by us and our subsidiaries represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage.

Property

We own the land on which our Bahadurgarh, Bibinagar, Bhiwadi, Kaharani, Sanathnagar, Bhongir, and Dharwad manufacturing facilities are located. Our Selaqui manufacturing facility is located on leased land. Our registered and corporate office is owned by us. We have also obtained several premises on lease or leave and license basis for our regional offices located across India.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONAND RESULTS OF OPERATIONS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to HSIL Limited and its subsidiaries on a consolidated basis, and any reference to the "Company" refers to HSIL Limited on a standalone basis.

Unless otherwise indicated, all financial information included in this section have been derived from our Reformatted Consolidated Financial Statements for fiscal 2012, 2013 and 2014, and Interim Condensed September Financial Statements for the six months ended September 30, 2014 and 2013 included elsewhere in this Placement Document.

Overview

We are one of the leading manufacturers of building products and packaging products in India. We believe that we have established a strong brand name in the building products industry and also developed strong relationships with institutional customers in the packaging products as well as building products industry. Our business operations are broadly divided into two primary business segments: the building products division (Building Products Division) and the packaging products division (Packaging Products Division). The Building Products Division primarily consists of sanitaryware, bathroom fittings, faucets, wellness products and allied traded products such as vents. The Packaging Products Division primarily consists of glass bottles, PET bottles, caps, closures and containers. In fiscal 2012, 2013 and 2014, the Building Products Division contributed 42.39%, 42.37% and 47.39%, respectively, of our total income in such periods, while the Packaging Products Division contributed 49.01%, 46.88% and 46.50%, respectively, of our total income in such periods.

Building Products Division

We believe we are one of the largest manufacturers of sanitaryware products in India. We have established our market position in the building products industry through multiple brands and a wide range of products targeted at various price segments. Our products in this division include the following building products and certain other allied products:

- *Sanitaryware.* Our sanitaryware products include water closets, wash basins, pedestals, squatting pans and urinals. Our sanitaryware products also include polyvinyl chloride (PVC) cisterns, concealed cisterns, fittings and seat covers. Our sanitaryware products are sold under various brands, namely, Queo, Hindware Italian Collection, Hindware Art, Hindware, Benelave and Raasi, targeted at different market segments.

- *Faucets.* Our faucet products include showers, kitchen faucets and bathroom faucets which are sold under the Queo, Hindware Italian Collection, Hindware and Benelave brands.

- *Kitchen appliances.* Our kitchen appliances range includes hobs, chimneys and cooktops and are sold under the Hindware brand.

- *Wellness.* Our wellness products include bath tubs, shower panels, shower enclosures and whirlpools. The wellness products are sold primarily under the Amore and Hindware brands.

- *Allied products.* Allied products include seat cover, PVC cisterns, concealed cisterns and vents.

We have four building products manufacturing facilities in India which include, two sanitaryware facilities located strategically at Bahadurgarh in Haryana and Bibinagar in Telangana, as well as, two faucet manufacturing facilities at Bhiwadi in Rajasthan, and Kaharani in Rajasthan. Our institutional clients in our

Building Products Division have included or include, among others, Adani Township and Real Estate Company Private Limited, Ansal Properties and Infrastructure Limited, DLF Southern Homes Private Limited, Emaar MGF Land Limited, Emami Realty Limited, Larsen & Toubro Limited, Lokhandwala Nestings Private Limited, M3M India Private Limited, NCC Limited, Omaxe Chandigarh Extension, Puravankara Projects Limited, RMZ Ecoworld Infrastructure Private Limited, Shapoorji Pallonji and Company Private Limited, TDI Infrastructure Limited, Prestige Estates Projects Limited and Vatika Limited.

We have over the years developed a large network of dealers and sub-dealers across India. As of December 31, 2014, our distribution network included approximately 3,000 dealers. As of December 31, 2014, we had also established 15 regional offices for effective distribution of our products across India. Our extensive sales and distribution network enables us to sell our building products to retail customers across India. In addition, we have more than 100 hindware galleria, and a number of hindware “shop in shops”. We also have 19 service centres and arrangements with a large number of plumbers who provide after sales service across India. We also market our building products through a number of exclusive showrooms and brand display centres across India. For example, as of December 31, 2014, we had set up three Hindware Lacasa display centres. In addition, we have also entered into various arrangements with e-commerce platforms for the sale of our building products online.

Packaging Products Division

We believe we are one of the largest manufacturers of packaging products in India including glass containers, PET bottles and specially coloured bottles. We manufacture glass containers, plastic containers, plastic caps and closures as well as specially coloured bottles for packaging beverages, food, liquor and pharmaceutical products. Our packaging products cater to institutional clients across various industries including liquor, food and beverages, chemical and pharmaceuticals sectors.

We have two glass container manufacturing facilities at Sanathnagar (Hyderabad) and Bhongir in Telangana, and two PET bottles manufacturing facilities at Selaqui in Uttarakhand and Dharwad in Karnataka. Our institutional customers in the packaging products business have included or include Abbott India Limited, Carlsberg India Private Limited, Diageo India Private Limited, Dr. Reddy Laboratories Limited, GlaxoSmithKline Pharmaceuticals Limited, Heinz India Private Limited, Hindustan Coca-Cola Beverages Private Limited, ITC Limited, Johnson and Johnson Limited, PepsiCo India Holdings Private Limited, Pfizer Limited, Radico Khaitan Limited, Ranbaxy Laboratories Limited, Reckitt Benckiser India Limited, SAB Miller India Limited, UI Beverages (P) Limited (a franchisee of Parle Agro), Unilever India Exports Limited, United Breweries Limited and United Spirits Limited.

Other Businesses

Our other businesses comprise primarily of our home interior solutions business and sale of specially designed sanitaryware for the elderly by our subsidiary in the U.K. In addition we also own two wind mills with an aggregate installed capacity of 2.5 MW. The home interior solutions business caters to both retail and institutional customers, and is established under the EVOK brand. As of December 31, 2014, the home interior solutions business had 19 retail outlets across India. In fiscal 2014, we also introduced franchisee operations focused on modular kitchens in India.

In fiscal 2012, 2013 and 2014, the other businesses division contributed 8.60%, 10.75% and 6.11%, respectively, of our total income in such periods.

We have over the years received several awards in recognition of our business and operations including the Trusted Brand – 2012 and 2013 awards from Reader’s Digest in the sanitaryware category, the Power Brand - 2012 award from Planman Marcom - 360 degree Marketing Communications and the Master Brand 2012 award from CMO Asia.

In fiscal 2012, 2013 and 2014, our total income was Rs.146,789.78 lakhs, Rs.176,510.88 lakhs and Rs.186,201.88 lakhs, respectively, while our profit after tax in such periods was Rs.9,354.77 lakhs, Rs.8,204.89 lakhs and Rs.3,398.10 lakhs, respectively.

Presentation of Financial Information

We have included in this Placement Document our Reformatted Consolidated Financial Statements for fiscal 2012, 2013 and 2014, and management's discussion thereon. We have also included in this section management's discussion on the Interim Condensed September Financial Statements for the six months ended September 30, 2013 and 2014.

As a result of a scheme of amalgamation involving Garden Polymer Private Limited our reviewed standalone financial statements for the six months ended September 30, 2014, and the nine months ended December 31, 2014, may not be comparable to our reviewed standalone financial statements for the six months ended September 30, 2013, and the nine months ended December 31, 2013. Our Board of Directors on September 25, 2012, approved the Scheme of Amalgamation between Garden Polymer Private Limited and our Company. The Scheme was approved by the Hon'ble High Court of Calcutta on March 13, 2014 and made effective upon filing of the approved scheme with the Registrar of Companies, West Bengal with an appointed date of April 1, 2012.

In fiscal 2013, we had divested our entire investment held in equity shares of AGI Glasspack Limited, a wholly owned subsidiary, at a total consideration of Rs. 4,195.27 lakhs. Pursuant to such divestment, AGI Glasspack Limited had ceased to be our subsidiary with effect from March 25, 2013. Profit (before applicable taxes) on disposal of such non-current investment amounting to Rs. 2,366.30 lakhs had been classified under the head "exceptional items" in the Reformatted Consolidated Financial Statements.

Principal Factors Affecting our Results of Operations and Financial Condition

Our business, results of operations and financial condition are affected by a number of factors, including:

Performance of the various industries in which our building products and packaging products are used

Our building products division and home interior retail segment are significantly dependent on the performance of sectors such as real estate and infrastructure, while our packaging products division is dependent on the performance of sectors such as food and beverage, liquor, beer and pharmaceuticals where glass containers and PET bottles are used. The performance of these sectors, and consequently the demand for building, packaging and home interior products in these sectors are dependent on economic and other factors such as government policy, regulation and budgetary allocation and private business investment in such sectors. The financial performance of our distributors and customers in these sectors will also have a direct impact on our business, results of operations and financial condition. In addition, our business is also dependent on the evolving nature of consumer preferences and industry practices in these sectors in India and internationally.

In particular, our subsidiary Hindware Home Retail Private Limited, which is in the home retail business, has incurred significant losses in the past. Its losses after taxes were Rs.1,702.96 lakhs, Rs.1,869.55 lakhs and Rs.2,024.33 lakhs in fiscal 2012, 2013 and 2014, respectively. In the event of such loss in the future, our consolidated results of operations and financial condition will be materially and adversely affected.

Price of raw materials

Raw materials represent a significant proportion of our total expenses, particularly in relation to our packaging products division. In the event of an increase in the price of raw materials we may be required to source materials from other sources at prices that are less favourable to us, resulting in an increase in our operating costs. Commodity prices are also influenced by changes in global economic conditions, related industry cycles, demand-supply dynamics, attempts by individual producers to capture market share and by speculation in the market. Any volatility in the prices of raw materials could also affect our ability to price our products competitively.

Power and fuel expenses

The manufacture of our building products as well as our packaging products requires substantial amounts of power and fuel. Typically, we depend on power supplied by the State electricity boards, as well as power generated through power generators. Any major power interruptions that could occur in the future as a result of any natural calamity, technical fault or power shortages beyond our control may have an effect on our results of operations. Further, in the event that electricity supplied by the State electricity boards and from generators are in sufficient to meet our requirements or we are unable to procure adequate and uninterrupted power supply in the future at a reasonable cost, our results of operations may be adversely affected. In addition, power and fuel prices are also influenced by changes in global economic conditions which will also have an effect on our results of our operations.

Regulatory environment

We are a manufacturer and supplier of a diverse range of products such as building products, packaging products and home interior products, catering principally to the real estate and food and beverage sectors. Our products are subject to stringent industry specific quality standards and specifications as the end users especially in the food and beverage sector operate in highly regulated industries. In order to ensure that our manufacturing processes and products are in compliance with applicable regulatory requirements, we incur substantial capital expenditure for modern equipment and products. This also enables us to increase our operational efficiencies resulting in a reduction in production costs. Any regulatory development that adversely affects the industries in which our packaging products are used is also likely to significantly affect our results of operations.

Capacity utilization and operating efficiencies

Higher capacity utilization results in greater production volumes and higher sales, and allows us to spread our fixed costs over a higher number of units sold, thereby increasing our profit margins. Production in our manufacturing facilities is also affected by factors like the number of lost days due to scheduled and unscheduled plant shutdowns. We continue to focus on improving our operational efficiencies and reducing operating costs. We continue to upgrade the quality and functionality of our products to address specific customer requirements and market segments.

Interest rates

Our business involves a lengthy working capital cycle, and any significant change in the level of inventory, debtors' recovery and credit period offered by our suppliers can impact our working capital cycle. In the past our liquidity position has been affected owing to the weak liquidity position of certain sectors we operate in. Our inventory levels depend upon orders in hand, anticipated orders, delivery period and expected price of raw-material. Any delay in liquidation of inventories, will also impact our working capital cycle. We finance our operations primarily through working capital borrowings mostly at fixed rates of interest. Our cost of servicing such debt may increase depending upon several economic factors, thereby adversely impacting our results of operations and cash flows. Our profits may also be impacted by interest rate variation.

Competition

We sell our building products in highly competitive markets. Certain competitors may be larger than us and may have significantly greater financial resources than us. As a result, to remain competitive in our markets, we continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. The building products industry is to an extent localised, fragmented and unorganised and therefore we compete with other manufactures in both the organised as well as the unorganised sector. Competition is primarily based on availability of product, product range, quality, price, reputation, customer service and customer convenience. There are limited entry barriers in our industry and increase in capacity of our competition is likely to further intensify competition. In the packaging products business, we compete with several Indian and a few international manufacturers. Due to the nature of our packaging products, competition is based primarily on demand and price. Some competitors may have a broader range of packaging products which are subject to different margin pressures which makes them less susceptible to cyclical downturns.

Management's Discussion and Analysis of our Consolidated Financial Condition and Results of Operations

Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of our consolidated financial statements is set out in the notes to the financial statements included elsewhere in this Placement Document.

Revenue Recognition

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

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

Other Income. Interest income is recognised on a time proportion basis at the applicable rates. Insurance claims are recognised on actual realisation basis. Dividend income is recognised when the right to receive the income is established.

Fixed Assets

Tangible Assets. Tangible assets (other than those which have been revalued) are stated at cost of acquisition less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price (net of cenvat credit availed) and any attributable cost of bringing the asset to its working condition for its intended use. Expenditure on account of restoration/modification/ alteration in plant and machinery/building, which increases the future benefit from the existing asset beyond its previously assessed standard of performance/estimated useful life, is capitalised. Pre-operative expenditure including borrowing cost (net of revenue, where applicable) and foreign exchange differences on specific project loans incurred during the construction/trial run of the project is allocated on an appropriate basis to fixed assets upon commissioning

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

Capital Work-in-Progress

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

Depreciation and Amortisation

Tangible Assets. Depreciation on tangible assets have been provided on straight line method at the rates and in the manner prescribed under schedule XIV (“schedule”) to the Companies Act, 1956, except the following: (i) on assets acquired and put to use on or before July 1, 1987 in the glass division, Sanathnagar, Andhra Pradesh of the Company and on vehicles purchased by the Group, depreciation is provided on written down value method at the rates and in the manner prescribed in the schedule; (ii) on furnaces (included in plant and machinery) having a cost of Rs.20,743.05 lakhs, Rs.19,890.76 lakhs and Rs.12,054.82 lakhs for fiscal 2014, 2013 and 2012 respectively used in the glass divisions of the Company, depreciation is provided on straight line method, as technically assessed from time to time, based on expected useful lives of the furnaces. The rate being 16.21% per annum, as prescribed in the schedule; (iii) leasehold improvements are amortised over the period of the lease or estimated useful life of the leasehold improvements, whichever is lower; (iv) all individual assets costing Rs.5,000 or less are depreciated in full in the year of purchase. Laptop, mobiles, camera, and computer software are depreciated over a period of three years. Desktops are depreciated over a period of four years.

Intangible Assets. Technical knowhow is being amortised over a period of ten years. Goodwill arising on merger is amortised over a period of seven years.

The depreciation and amortisation rates are indicative of expected useful lives of the assets.

Impairment of Assets

We assess at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, we estimate the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the summary reformatted consolidated statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

Investments

- Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.
- Current investments are valued at the lower of cost and fair value. Long-term investments are stated at cost.
- Provision is made for diminution in the value of long-term investments to recognise a decline, if any, other than temporary in nature.
- Profit/loss on sale of investments are computed with reference to their cost determined on first in first out basis.

Inventories

Inventories are valued as follows: raw materials including components, packing materials, stores and spares and goods-in-transit - at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Work-in-progress is valued at cost up to estimated stage of completion. Finished goods and traded goods is valued at lower of cost and net realisable value.

Cost of inventories is ascertained on the following basis: (i) raw materials, stores and spare parts and packing materials is ascertained on weighted average basis; (ii) finished goods (traded) is ascertained on weighted average basis; (iii) cost of manufactured finished goods and stock in process is determined on weighted average basis and comprises material, labour, other related production overheads and non-recoverable duties; (iv) net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion to make the sale.

Foreign Currency Transactions

- Indian Rupee is the reporting currency for the Group. However, the local currencies of non-integral overseas subsidiaries are different from the reporting currency of the Group. The translation of local currencies into Indian Rupee is performed for assets and liabilities (excluding share capital, opening reserves and surplus), using the exchange rate as at the balance sheet date, and for revenues, costs and expenses using average exchange rate during the reporting period. Share capital, opening reserves and surplus are carried using historical rates. Resultant currency translation exchange gain / loss is carried as foreign currency translation reserve under reserves and surplus. Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment.
- Income and expenditure items of integral foreign operations are translated at the yearly average exchange rate of their respective foreign currencies. Monetary items at the balance sheet date are translated using the rates prevailing on the balance sheet date. Non- monetary assets are recorded at the rates prevailing on the date of the transaction. Any resultant gains or losses are accounted for in the summary reformatted consolidated statement of profit and loss.
- Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Differences arising out of foreign currency transactions settled during the year are recognised in the summary reformatted consolidated statement of profit and loss.
- Monetary items outstanding at the balance sheet date and denominated in foreign currencies are reformatted at the exchange rates prevailing at the balance sheet date. Differences arising on such restatement are recognised in the summary reformatted consolidated statement of profit and loss except to the extent permitted by the transitional provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009 in respect of long term foreign currency monetary items, in which case the cost of fixed assets are adjusted by the translation differences and amortised over the remaining useful life of the related asset.
- The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the summary reformatted consolidated statement of profit and loss in the year in which the exchange rates change. Any

profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

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

Borrowing Cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised as part of the cost of such assets, in accordance with Accounting Standard-16, "Borrowing Costs" as notified by Companies (Accounting Standard) Rules, 2006. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the summary reformatted consolidated statement of profit and loss as incurred.

Contingent Liabilities and Provisions

A provision is made when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Group;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- present obligation, where a reliable estimate cannot be made.

Principal Components of Income and Expenditure

Income

Our income consists of income from operations and other income.

Income from operations

Income from operations comprise sale of products and other operating income. Gross income from operations is adjusted for excise duty to arrive at net income from operations.

Sales of products represent revenue from sale of building products as well as packaging products.
Other operating income include miscellaneous income, export incentives, maintenance services income, any proceeds from insurance claims, scrap sales, any gain on foreign exchange fluctuations, as well as write-back of sundry balances and liabilities no longer required. Any advance license scheme duty benefits are accounted for at the time of purchase of imported raw material or the sale of the license.

Other Income

Other income includes interest on deposits, rental payments on premises owned by us, any dividend on investments, as well as any gain on disposal of fixed assets or sale of current investments.

Expenses

Our expenses include cost of raw materials consumed, purchase of traded goods, as adjusted for changes in stock of finished goods and work in progress, employees benefits expenses, finance cost, depreciation and amortisation expense and other expenses.

Cost of Raw Materials Consumed

Cost of materials consumed represents the cost of the raw material purchased as adjusted by the opening and closing stock of raw materials at the beginning and end of the fiscal year. The raw materials consumed comprise clay, soda ash, cullets, quartz or feldspar and others.

Purchase of Traded Goods

Purchase of traded goods comprise furniture and home furnishings as well as sanitaryware and other allied products. The traded goods are valued at lower of cost and net realisable value

Changes in Stock of Finished Goods and Work in Progress

The changes in stock of finished goods and work in progress represent the adjustment of the opening and closing stock of finished goods and work in progress at the end of the fiscal period.

Employee Benefits Expenses

Employee benefit expenses include salaries, wages and bonus, contribution to provident and other funds and staff welfare expenses.

Other Expenses

Our other expenses include power and fuel, stores and spares consumed, packing material consumed, loose tools consumed, oil, fuel and lubricant consumed, repairs and maintenance, rent (including hire charges), rates and taxes, directors sitting fees, expenditure on ceramic and applied research centre, insurance, travelling and conveyance, discounts, commission on sales, freight and forwarding charges – exports, advertisement and publicity, other selling and distribution expenses, provision for doubtful debts and advances, bad debts written off, charity and donation, loss on foreign exchange fluctuation, loss on sale of fixed assets, installation expenses and miscellaneous expenses.

Depreciation and Amortisation Expense

Depreciation represents depreciation on our tangible assets and intangible assets.

Finance Cost

The finance costs incurred by us include interest on fixed period loans and others as well as borrowing costs.

Taxation

Provision for taxation comprises current tax, provision of tax in earlier years, MAT credit entitlement and deferred tax.

Results of Operations

The following table sets forth certain information relating to our consolidated results of operations in fiscal 2012, 2013 and 2014:

	Fiscal 2012		**Fiscal 2013**		**Fiscal 2014**	
	(Rs. lakhs)	**Percentage of total income (%)**	**(Rs. lakhs)**	**Percentage of total income (%)**	**(Rs. lakhs)**	**Percentage of total income (%)**
			(consolidated audited)			
Income						
Income from Operations (Gross)	156,653.19	106.72	1,90,220.47	107.77	199,708.45	107.25
Less: Excise duty	10,371.57	7.07	14,092.98	7.98	13,887.77	7.46

	Fiscal 2012		Fiscal 2013		Fiscal 2014	
	(Rs. lakhs)	**Percentage of total income (%)**	**(Rs. lakhs)**	**Percentage of total income (%)**	**(Rs. lakhs)**	**Percentage of total income (%)**
Income from Operations (Net)	146,281.62	99.65	1,76,127.49	99.78	185,820.68	99.80
Other Income	508.16	0.35	383.39	0.22	381.20	0.20
Total	**146,789.78**	**100.00**	**176,510.88**	**100.00**	**186,201.88**	**100.00**
Expenses						
Cost of Raw Material Consumed	26,135.07	17.80	34,270.64	19.42	33,722.66	18.11
Purchases of Traded Goods	25,831.15	17.60	28,623.40	16.22	35,340.32	18.98
Changes in Stock of Finished Goods and Work in Progress	(4,559.11)	(3.11)	(8,615.69)	(4.88)	(4,310.67)	(2.32)
Employees Benefits Expenses	15,906.86	10.84	18,222.26	10.32	18,843.82	10.12
Other Expenses	57,985.91	39.50	77,757.03	44.05	76,893.42	41.30
Total	**1,21,299.88**	**82.64**	**150,257.64**	**85.13**	**1,60,489.55**	**86.19**
Profit Before Depreciation, Amortisation, Finance Costs and Tax Expense	**25,489.90**	**17.36**	**26,253.24**	**14.87**	**25,712.33**	**13.81**
Depreciation and amortisation Expense	6,506.56	4.43	9,321.25	5.28	11,011.82	5.91
Finance Cost	4,195.22	2.86	6,939.07	3.93	7,177.90	3.85
Profit Before Tax and Exceptional Items	**14,788.12**	**10.07**	**9,992.92**	**5.66**	**7,522.61**	**4.04**
Exceptional Items	**-**	-	**2,366.30**	**1.34**	**-**	-
Profit Before Tax	**14,788.12**	**10.07**	**12,359.22**	**7.00**	**7,522.61**	**4.04**
Tax Expenses						
Current Tax						
- Current Year	3,897.66	2.66	3,032.10	1.72	3,974.93	2.13
- Earlier Years	18.44	0.01	-	-	274.88	0.15
MAT Credit Entitlement	1,490.55	1.02	(2,471.46)	(1.40)	-	-
Deferred Tax	26.70	0.02	3,593.69	2.04	(125.30)	(0.07)
Profit for the Year	**9,354.77**	**6.36**	**8,204.89**	**4.65**	**3,398.10**	**1.82**

Fiscal 2014 compared to Fiscal 2013

Income

Total income increased by 5.49% from Rs.176,510.88 lakhs in fiscal 2013 to Rs.186,201.88 lakhs in fiscal 2014 reflecting the growth in our operations.

Income from Operations

Gross income from operations increased by 4.99% from Rs.190,220.47 lakhs in fiscal 2013 to Rs.199,708.45 lakhs in fiscal 2014, while excise duty expenses decreased by 1.46% from Rs.14,092.98 lakhs in fiscal 2013 to Rs.13,887.77 lakhs in fiscal 2014. This resulted in an increase in net income from operations by 5.50% from Rs.176,127.49 lakhs in fiscal 2013 to Rs.185,820.68 lakhs in fiscal 2014. Income from operations increased primarily as a result of increase in sale of products as well as miscellaneous income and export incentives.

Sale of products increased by 4.75% from Rs.1,87,761.07 lakhs in fiscal 2013 to Rs.1,96,677.14 lakhs in fiscal 2014. Export incentives increased by 308.93% from Rs.81.65 lakhs in fiscal 2013 to Rs.333.89 lakhs in fiscal 2014, while miscellaneous income increased by 112.08% from Rs.580.16 lakhs in fiscal 2013 to Rs.1,230.41 lakhs in fiscal 2014. Insurance claims received increased by 20.35% from Rs.421.40 lakhs in fiscal 2013 to Rs.507.15 lakhs in fiscal 2014. However sundry balances and liabilities no longer required written back decreased by 47.56% from Rs.509.83 lakhs in fiscal 2013 to Rs.267.34 lakhs in fiscal 2014, while gain on foreign exchange fluctuations decreased by 25.49% from Rs.395.95 lakhs in fiscal 2013 to Rs.295.03 lakhs in fiscal 2014. Similarly, scrap sale decreased by 11.32% from Rs.403.82 lakhs in fiscal 2013 to Rs.358.10 lakhs in fiscal 2014.

Other Income

Other income decreased marginally by 0.57% from Rs.383.39 lakhs in fiscal 2013 to Rs.381.20 lakhs in fiscal 2014.

Interest from deposits with banks increased by 123.12% from Rs.84.44 lakhs in fiscal 2013 to Rs.188.40 lakhs in fiscal 2014. Other income such as rent received, interest received from margin money with banks, interest received from other accounts, gain on disposal of fixed assets, sundry balances and liabilities no longer required, written back have decreased in fiscal 2014 compared to fiscal 2013. However miscellaneous income and gain on sale of current investments increased in fiscal 2014 compared to fiscal 2013.

Expenses

Total expenses increased by 6.81% from Rs.150,257.64 lakhs in fiscal 2013 to Rs.160,489.55 lakhs in fiscal 2014. This was primarily due to growth of sales, increase in stock and increase in employee benefit expenses.

Cost of Raw Materials Consumed

Cost of materials consumed decreased by 1.60% from Rs.34,270.64 lakhs in fiscal 2013 to Rs.33,722.66 lakhs in fiscal 2014. This was primarily due to increase in production.

Purchases of Traded Goods

Purchases of traded goods increased by 23.47% from Rs.28,623.40 lakhs in fiscal 2013 to Rs.35,340.32 lakhs in fiscal 2014.

Changes in Stock of Finished Goods and Work in Progress

There was an accretion in stock of finished goods and work in progress of Rs.4,310.67 lakhs in fiscal 2014 compared to an accretion in stock of finished goods and work in progress of Rs.8,615.69 lakhs in fiscal 2013.

Employees Benefit Expenses

Employees benefit expenses increased by 3.41% from Rs.18,222.26 lakhs in fiscal 2013 to Rs.18,843.82 lakhs in fiscal 2014 primarily due to increase in employee costs as a result of increments provided to employees which offset a decrease in managerial remuneration.

Salaries, wages and bonus increased by 2.76% from Rs.16,693.57 lakhs in fiscal 2013 to Rs.17,154.45 lakhs in fiscal 2014, while contribution to provident and other funds increased by 14.27% from Rs.792.04 lakhs in fiscal 2013 to Rs.905.03 lakhs in fiscal 2014. Similarly staff welfare expenses also increased from Rs.736.65 lakhs in fiscal 2013 to Rs.784.34 lakhs in fiscal 2014.

Other Expenses

Other expenses decreased by 1.11% from Rs.77,757.03 lakhs in fiscal 2013 to Rs.76,893.42 lakhs in fiscal 2014.

Packing material consumed increased by 4.34% from Rs.8,424.21 lakhs in fiscal 2013 to Rs.8,790.09 lakhs in fiscal 2014, while rent (including hire charges) increased by 6.27% from Rs.2,208.49 lakhs in fiscal 2013 to Rs.2,347.07 lakhs in fiscal 2014. Similarly discounts increased by 8.13% from Rs.3,577.99 lakhs in fiscal 2013 to Rs.3,868.81 lakhs in fiscal 2014, while commission on sales increased by 28.62% from Rs.693.98 lakhs in fiscal 2013 to Rs.892.62 lakhs in fiscal 2014. Other selling and distribution expenses increased by 7.83% from Rs.6,648.76 lakhs in fiscal 2013 to Rs.7,169.40 lakhs in fiscal 2014, loss on foreign exchange fluctuation increased by 95.47% from Rs.586.41 lakhs in fiscal 2013 to Rs.1,146.27 lakhs in fiscal 2014 and miscellaneous expenses increased by 5.34% from Rs.2,274.65 lakhs in fiscal 2013 to Rs.2,396.02 lakhs in fiscal 2014.

These increases were offset by decreases such as power and fuel expenses which decreased by 6.60% from Rs.40,367.26 lakhs in fiscal 2013 to Rs.37,701.70 lakhs in fiscal 2014, while stores and spares consumed decreased by 2.54% from Rs.3,909.00 lakhs in fiscal 2013 to Rs.3,809.86 lakhs in fiscal 2014. Similarly, freight and forwarding charges for exports decreased by 35.92% from Rs.1,055.84 lakhs in fiscal 2013 to Rs.676.56 lakhs in fiscal 2014, while advertisement and publicity expenses decreased by 9.20% from Rs,2,302.32 lakhs in fiscal 2013 to Rs.2,090.46 lakhs in fiscal 2014.

Profit Before Depreciation, Amortisation, Finance Costs and Tax Expense

Profit before depreciation, amortisation, finance costs and tax expense decreased by 2.06% from Rs.26,253.24 lakhs in fiscal 2013 to Rs.25,712.33 lakhs in fiscal 2014.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 18.14% from Rs.9,321.25 lakhs in fiscal 2013 to Rs.11,011.82 lakhs in fiscal 2014 primarily reflecting addition in fixed assets and amortisation of goodwill.

Finance Cost

Finance costs increased by 3.44% from Rs.6,939.07 lakhs in fiscal 2013 to Rs.7,177.90 lakhs in fiscal 2014.

There was a decrease in interest on fixed period loans by 4.72% from Rs.3,884.70 lakhs in fiscal 2013 to Rs.3,701.25 lakhs in fiscal 2014. However this was offset by interest on others which increased by 8.34% from Rs.2,985.72 lakhs in fiscal 2013 to Rs.3,234.78 lakhs in fiscal 2014 and other borrowing costs which increased by 252.32% from Rs.68.65 lakhs in fiscal 2013 to Rs.241.87 lakhs in fiscal 2014.

Profit Before Tax

Profit before tax and after exceptional items (if any) decreased significantly by 39.13% from Rs.12,359.22 lakhs in fiscal 2013 to Rs.7,522.61 lakhs. There was also an exceptional item of Rs.2,366.30 lakhs in fiscal 2013.

Tax Expense

Tax expenses (as adjusted for earlier years, MAT credit entitlement and deferred tax) decreased by 0.72% from Rs.4,154.33 lakhs in fiscal 2013 to Rs.4,124.51 lakhs in fiscal 2014.

Profit After Tax for the Year

For the various reasons discussed above, profit for the year decreased by 58.58% from Rs.8,204.89 lakhs in fiscal 2013 to Rs.3,398.10 lakhs in fiscal 2014.

Fiscal 2013 Compared to Fiscal 2012

Income

Total income increased by 20.25% from Rs.146,789.78 lakhs in fiscal 2012 to Rs.176,510.88 lakhs in fiscal 2013 reflecting the growth in our operations.

Income from Operations

Gross income from operations increased by 21.43% from Rs.156,653.19 lakhs in fiscal 2012 to Rs.190,220.47 lakhs in fiscal 2013, while excise duty expenses increased by 35.88% from Rs.10,371.57 lakhs in fiscal 2012 to Rs.14,092.98 lakhs in fiscal 2013. This resulted in an increase in net income from operations by 20.40% from Rs.1,46,281.62 lakhs in fiscal 2012 to Rs.176,127.49 lakhs in fiscal 2013. Income from operations increased primarily as a result of increase in sale of products.

Sale of products increased by 21.19% from Rs.1,54,928.64 lakhs in fiscal 2012 to Rs.1,87,761.07 lakhs in fiscal 2013. Sundry balances and liabilities no longer required written back increased by 189.48% from Rs.176.12 lakhs in fiscal 2012 to Rs.509.83 lakhs in fiscal 2013, while gain on foreign exchange fluctuations increased by 14.16% from Rs.346.85 lakhs in fiscal 2012 to Rs.395.95 lakhs in fiscal 2013. The insurance claims received increased by 167.59% from Rs.157.48 lakhs in fiscal 2012 to Rs.421.40 lakhs in fiscal 2013, while miscellaneous income increased by 72.30% from Rs.336.71 lakhs in fiscal 2012 to Rs.580.16 lakhs in fiscal

2013. There was also an increase in scrap sales by 14.92% from Rs.351.40 lakhs in fiscal 2012 to Rs.403.82 lakhs in fiscal 2013. However export incentives decreased by 71.09% from Rs.282.39 lakhs in fiscal 2012 to Rs.81.65 lakhs in fiscal 2013.

Other Income

Other income decreased by 24.55% from Rs.508.16 lakhs in fiscal 2012 to Rs.383.39 lakhs in fiscal 2013.

Gross interest received from deposits with banks increased by 14.56% from Rs.73.71 lakhs in fiscal 2012 to Rs.84.44 lakhs in fiscal 2013. Rent received, dividend on investments and gain on disposal of fixed assets have decreased in fiscal 2013 compared to fiscal 2012. However gross interest received on margin money with banks, gross interest received on other accounts and excess balances and liabilities written back increased in fiscal 2013 compared to fiscal 2012.

Expenses

Total expenses increased by 23.87% from Rs.121,299.88 lakhs in fiscal 2012 to Rs.150,257.64 lakhs in fiscal 2013. This was primarily due to an increase in production and electricity expenses as a result of increase in sales.

Cost of Raw Materials Consumed

Cost of raw materials consumed increased by 31.13% from Rs.26,135.07 lakhs in fiscal 2012 to Rs.34,270.64 lakhs in fiscal 2013. This was primarily due to increase in production and increase in stock.

Purchases of Traded Goods

Purchases of traded goods increased by 10.81% from Rs.25,831.15 lakhs in fiscal 2012 to Rs.28,623.40 lakhs in fiscal 2013.

Changes in stock of Finished Goods and Work in Progress

There was an accretion in stock of finished goods and work in progress of Rs.8,615.69 lakhs in fiscal 2013 compared to an accretion in stock of finished goods and work in progress of Rs.4,559.11 lakhs in fiscal 2012.

Employees Benefit Expenses

Employees benefit expenses increased by 14.56% from Rs.15,906.86 lakhs in fiscal 2012 to Rs.18,222.26 lakhs in fiscal 2013 primarily due to increase in employee benefits by way of increments to our employees.

Salaries, wages and bonus increased by 14.77% from Rs.14,545.44 lakhs in fiscal 2012 to Rs.16,693.57 lakhs in fiscal 2013, while contribution to provident and other funds increased by 6.34% from Rs.744.82 lakhs in fiscal 2012 to Rs.792.04 lakhs in fiscal 2013. However, staff welfare expenses increased from Rs.616.60 lakhs in fiscal 2012 to Rs.736.65 lakhs in fiscal 2013.

Other Expenses

Other expenses increased by 34.10% from Rs.57,985.91 lakhs in fiscal 2012 to Rs.77,757.03 lakhs in fiscal 2013.

Power and fuel expenses increased by 45.95% from Rs.27,658.88 lakhs in fiscal 2012 to Rs.40,367.26 lakhs in fiscal 2013, while stores and spares consumed increased by 9.41% from Rs.3,572.79 lakhs in fiscal 2012 to Rs.3,909.00 lakhs in fiscal 2013. Similarly packing material consumed increased by 21.38% from Rs.6,940.42 lakhs in fiscal 2012 to Rs.8,424.21 lakhs in fiscal 2013 and rent including hire charges increased by 32.08% from Rs.1,672.05 lakhs in fiscal 2012 to Rs.2,208.49 lakhs in fiscal 2013. There was also an increase of 12.27% in travelling and conveyance expense from Rs.1,770.53 lakhs in fiscal 2012 to Rs.1,987.75 lakhs in fiscal 2013, while discounts increased by 31.68% from Rs.2,717.16 lakhs in fiscal 2012 to Rs.3,577.99 lakhs in fiscal 2013. In a similar manner freight and forwarding expenses on exports increased by 27.81% from Rs.826.07 lakhs in fiscal 2012 to Rs.1,055.84 lakhs in fiscal 2013, while advertisement and publicity expenses increased by

106.52% from Rs.1,114.81 lakhs in fiscal 2012 to Rs.2,302.32 lakhs in fiscal 2013. Other selling and distribution expenses increased by 10.46% from Rs.6,019.37 lakhs in fiscal 2012 to Rs.6,648.76 lakhs in fiscal 2013 and miscellaneous expenses increased by 12.55% from Rs.2,021.07 lakhs in fiscal 2012 to Rs.2,274.65 lakhs in fiscal 2013.

Profit Before Depreciation, Amortisation, Finance Costs and Tax Expense

Profit before depreciation, amortisation, finance costs and tax expense increased by 2.99% from Rs.25,489.90 lakhs in fiscal 2012 to Rs.26,253.24 lakhs in fiscal 2013.

Depreciation and Amortisation Expense

Depreciation expense increased by 43.26% from Rs.6,506.56 lakhs in fiscal 2012 to Rs.9,321.25 lakhs in fiscal 2013 reflecting addition of manufacturing facility and other fixed assets.

Finance Cost

Finance costs increased by 65.40% from Rs.4,195.22 lakhs in fiscal 2012 to Rs.6,939.07 lakhs in fiscal 2013.

Interest on others increased by 403.13% from Rs.593.43 lakhs in fiscal 2012 to Rs.2,985.72 lakhs in fiscal 2013, while interest on fixed period loans increased from Rs.3,554.67 lakhs in fiscal 2012 to Rs.3,884.70 lakhs in fiscal 2013. In addition other borrowing costs increased by 45.69% from Rs.47.12 lakhs in fiscal 2012 to Rs.68.65 lakhs in fiscal 2013.

Profit Before Tax

Profit before tax and after exceptional items (if any) decreased significantly by 16.42% from Rs.14,788.12 lakhs in fiscal 2012 to Rs.12,359.22 lakhs in fiscal 2013. There was an exceptional item of Rs.2,366.30 lakhs in fiscal 2013.

Tax Expense

Tax expenses (as adjusted for earlier years, MAT credit entitlement and deferred tax) decreased by 23.54% from Rs.5,433.35 lakhs in fiscal 2012 to Rs.4,154.33 lakhs in fiscal 2013.

Profit After Tax for the Year

For the various reasons discussed above, profit for the year decreased by 12.29% from Rs.9,354.77 lakhs in fiscal 2012 to Rs.8,204.89 lakhs in fiscal 2013.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our working capital needs, loan repayments, and our capital expenditures. To fund these requirements we have relied on equity contributions, short-term and long-term borrowings and cash flows from operations.

The following table sets forth cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

(Rs. in lakhs)

Particulars	Fiscal		
	2012	2013	2014
Net cash from/(used in) operating activities	14,317.93	(95.31)	16,244.76
Net cash from/(used in) investing activities	(50,124.27)	(7,082.76)	(18,856.16)
Net cash from/(used in) financing activities	40,901.15	7,797.41	446.19
Net increase/(decrease) in cash and cash equivalents	5,094.81	619.34	(2,165.21)

Operating Activities

Net cash from operating activities in fiscal 2014 was Rs.16,244.76 lakhs, while profit before tax was

Rs.7,522.61 lakhs. This was primarily attributable to adjustments for depreciation and amortisation of Rs.11,011.82 lakhs and finance cost of Rs.7,177.90 lakhs, which were offset in part by working capital adjustments primarily for increase in inventories of Rs.3,765.28 lakhs and decrease in trade and other payables of Rs.3,792.71 lakhs.

Net cash used in operating activities in fiscal 2013 was Rs.95.31 lakhs, although profit before tax was Rs.12,359.22 lakhs. This was primarily attributable to adjustments for depreciation and amortisation of Rs.9,321.25 lakhs and finance cost of Rs.6,939.07 lakhs. In addition there was also a working capital adjustment for increase in trade and other payables of Rs.458.57 lakhs. These were offset in part by profit on sale of shares held in subsidiary of Rs.2,366.30 lakhs, as well as, working capital adjustments for increase in inventories of Rs.10,075.35 lakhs and increase in trade and other receivables of Rs.12,656.55 lakhs.

Net cash from operating activities in fiscal 2012 was Rs.14,317.93 lakhs, although profit before tax was Rs.14,788.12 lakhs. This was primarily attributable to adjustments for depreciation and amortisation of Rs.6,506.56 lakhs and finance cost of Rs.4,195.22 lakhs as well as a working capital adjustment for increase in trade and other payables of Rs.8,756.82 lakhs. These were offset in part by working capital adjustments for increase in trade or other receivables of Rs.7,766.88 lakhs and increase in inventories of Rs.7,943.51 lakhs.

Investing Activities

Net cash used in investing activities in fiscal 2014 was Rs.18,856.16 lakhs, primarily reflecting purchase of fixed assets including capital work in progress of Rs.19,246.28 lakhs relating to purchase of land, building of godown and capitalisation of exchange fluctuation loss on outstanding ECB and investments of Rs.10,728.11 lakhs.

Net cash used in investing activities in fiscal 2013 was Rs.7,082.76 lakhs, primarily reflecting purchase of fixed assets including capital work in progress of Rs.11,602.51 lakhs relating to capitalisation of manufacturing facility at Bhongir and exchange fluctuation loss on outstanding ECB.

Net cash used in investing activities in fiscal 2012 was Rs.50,124.27 lakhs, primarily reflecting purchase of fixed assets including capital work in progress of Rs.52,852.09 lakhs relating to increase in building products manufacturing capacity, acquisition of Garden Polymer Private Limited and capitalisation of exchange fluctuation loss on outstanding ECB.

Financing Activities

Net cash from financing activities in fiscal 2014 was Rs.446.19 lakhs, representing proceeds from long-term borrowings of Rs.15,119.54 lakhs and net movement in short-term borrowings of Rs.5,074.42 lakhs, offset in part by repayment of long-term borrowings of Rs.10,228.65 lakhs, interest paid of Rs.7,209.39 lakhs and dividend paid of Rs.1,972.99 lakhs.

Net cash from financing activities in fiscal 2013 was Rs.7,797.41 lakhs, representing proceeds from long-term borrowings of Rs.14,069.48 lakhs and net movement in short-term borrowings of Rs.9,586.96 lakhs, offset in part by repayment of long-term borrowings of Rs.6,837.48 lakhs, interest paid of Rs.6,730.36 lakhs and dividend paid of Rs.1,969.76 lakhs.

Net cash from financing activities in fiscal 2012 was Rs.40,901.15 lakhs, representing proceeds from long-term borrowings of Rs.36,582.62 lakhs and net movement in short term borrowings of Rs.19,016.82 lakhs, offset in part by repayment of long-term borrowings of Rs.8,764.60 lakhs, interest paid of Rs.4,023.11 lakhs and dividend paid of Rs.1,642.72 lakhs.

Capital Expenditures

Capital expenditures represent additions to the tangible and intangible assets (excluding acquisition through business adjustment and revaluation) and movement in capital work in progress). Our capital expenditures in fiscal 2012, 2013 and 2014 were Rs.49,179.00 lakhs, Rs.14,502.03 lakhs and Rs.19,369.64 lakhs, respectively. These capital expenditures were incurred primarily towards addition of fixed assets and manufacturing facility.

We believe that our anticipated cash flows from operations, together with the net proceeds of this Issue, our existing cash and certain additional future borrowings will be sufficient to meet our working capital and capital expenditure requirements over the next 12 months.

Indebtedness

As of March 31, 2014, we had long term borrowings (including current maturities) of Rs.73,634.92 lakhs and short term borrowings of Rs.39,663.22 lakhs.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2014, and our repayment obligations in the periods indicated:

	As of March 31, 2014		
	Payment due by Period		
	Total	**Less than 1 year**	**More than 1 year**
		(Rs. lakhs)	
Long term borrowings*	73,634.92	18,392.83	55,242.09
Short Term Borrowings			
Secured	30,668.80	30,668.80	-
Unsecured	8,994.42	8,994.42	-
Total Short Term Borrowings	39,663.22	39,663.22	-

*****_including current maturities_

Most of our loans are secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. Many of our financing agreements include various conditions and covenants restricting certain activities and certain transactions. Specifically, we may require, and may be unable to obtain, lender consents to sell or dispose assets charged, effect any major change in capital structure, undertake guarantee obligations, undertake new project or expansion, effecting any consolidations or mergers, make any significant change in management and permit any transfer of controlling interest. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements and may adversely affect our ability to conduct our business and operations or implement our business plans. Failure to meet our obligations under the debt financing arrangements could have an adverse effect on our cash flows, business and results of operations.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2014, aggregated by type of contractual obligation:

(Rs. in lakhs)

Particulars	**As on March 31, 2014**				
	Payment due by period				
	Total	**Less than 1 year**	**1-3 years**	**3 -5 years**	**More than 5 years**
			(Rs. lakhs)		
Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	2,857.76	2,581.74	271.02	5	0
Total capital and other commitments	**2,857.76**	**2,581.74**	**271.02**	**5**	**0**

Contingent Liabilities and Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2014:

Particulars	Amount
Contingent Liability not provided for in respect of:	(Rs. lakhs)
Demands raised by the excise authorities against which appeals have been filed	364.21
Demands raised by the income tax authorities against which appeals have been filed	62.65
Demands made by the sales tax authorities against which appeals have been filed	295.85
Demands made by the service tax authorities against which appeals have been filed	77.77
Bank guarantees outstanding	3,166.86
Claims not acknowledged as debts	2,043.44
Duty availed on imports against Export Promotion Capital Goods licenses	2,818.42

In addition, there was an unfulfilled export obligation under the Export Promotion Capital Goods License of Export Import Policy of Rs.22,547.37 lakhs, as of March 31, 2014.

Except as disclosed above or in our reformatted consolidated financial statements for fiscal 2012, 2013 and 2014 included in this Placement Document, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors. We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Segment Results

For information relating to our segment results, see our Reformatted Consolidated Financial Statements included elsewhere in this Placement Document.

Related Party Transactions

We enter into various transactions with related parties. Primarily these transactions include rent paid, rent income, sale of shares held in subsidiary and director's remuneration. For further information relating to our related party transactions, see our Reformatted Consolidated Financial Statements included elsewhere in this Placement Document.

Changes in accounting policies

There have been no changes in accounting policies of our Company in fiscal 2012, 2013 and 2014 or in any subsequent period to date.

Interest Service Coverage Ratio

The interest service coverage ratio, which we define as earnings before interest and tax (EBIT) divided by interest cost) for fiscal 2012, fiscal 2013 and fiscal 2014 was 4.73, 2.77 and 2.27. The interest cost includes processing fees and any interest cost that had been capitalized.

Quantitative and Qualitative Disclosures about Market Risk

Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. A small portion of our revenues, particularly relating to our international operations and our export sales, is denominated in currencies other than Indian Rupees. A significant portion of our expenses, including cost of any imported raw materials, freight costs, and other operating expenses in connection with our international operations, as well as certain of our capital expenditure on equipment imported, are denominated in currencies other than Indian Rupees. Our foreign subsidiaries report their financials in US Dollar, Euro and Pound Sterling currencies. Depreciation of the Indian Rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into in the future or any proposed capital expenditure in foreign currencies. Although we may selectively enter into forward contracts to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. dollar or other relevant foreign currencies.

Interest Rate Risk

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to a significant extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Credit Risk

We are exposed to credit risk on amounts owed to us by our distributors or customers. If they do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Commodity Price Risk

We are exposed to the price risk associated with purchasing our key raw materials. We generally do not enter into long-term firm price contracts for the supply of our key raw materials. Therefore fluctuations in the price and availability of these raw materials may adversely affect our business and results of operations.

Seasonality of Business

Although we do not consider our business to be seasonal, our revenues are typically higher in the third and fourth quarters of the financial year, resulting primarily from inventory build-up by our distributors or customers.

Matters of Emphasis and Companies (Auditor's Report) Order, 2003 Remarks

The audit report on our consolidated financial statements for fiscal 2012 included certain matters of emphasis relating to the accounting treatment adopted by our Company pursuant to the scheme of arrangement (the "Scheme") approved by the Hon'ble Calcutta High Court. In terms of the Scheme, our Company had revalued only a portion of its freehold land by crediting the resulting gain to the Business Reconstruction Reserve Account (the "BRR account") whereas the applicable accounting standards and generally accepted accounting principles in India do not provide for revaluation of part of a class of asset. For further information, please refer "Independent Auditors' Report on Reformatted Consolidated Financial Statements" included elsewhere in this Placement Document.

In addition, the audit report for fiscal 2012, in relation to the Companies (Auditor's Report) Order, 2003, stated that in May 2011, noted misappropriation of cheque book, resulting in fraudulent withdrawal of funds aggregating to approximately Rs.127 lakhs at our building products manufacturing unit in Hyderabad. Our Company subsequently recovered approximately Rs.31 lakhs, and the remaining amount of Rs.96 lakhs was provided for as doubtful advance by us. Subsequently, we further recovered an additional amount of approximately Rs.48 lakhs in fiscal 2014.

Significant Developments after September 30, 2014 that May Affect our Future Results of Operations

Except as stated in this Placement Document, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Placement Document which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

Management's Discussion and Analysis on Standalone Results of Operations for Six Months ended September 30, 2013 and 2014.

The following table sets forth certain information based on our standalone financial statements for the six months ended September 30, 2013 and 2014:

Particulars	Six months ended September 30,			
	2013		2014	
	(Rs. lakhs)	Percentage of total income (%)	(Rs. lakhs)	Percentage of total income (%)
Income				
Income from operations (gross)	81,150.57	107.75	89,613.37	106.90
Less: Excise duty	6,059.43	8.05	6,015.49	7.18
Income from operations (net)	75,091.14	99.71	83,597.88	99.72
Other income	221.00	0.29	232.18	0.28
Total Income	**75,312.14**	**100.00**	**83,830.06**	**100.00**
Expenses				
Cost of raw materials consumed	14,296.82	18.98	17,032.72	20.32
Purchases of traded goods	12,115.98	16.09	15,921.27	18.99
Changes in inventories of finished goods and work-in-progress	(6,342.16)	(8.42)	(4,693.45)	(5.60)
Employee benefits expense	7,778.89	10.33	9,059.93	10.81
Other expenses	37,172.41	49.36	32,155.66	38.36
Total Expenses	**65,021.94**	**86.34**	**69,476.13**	**82.88**
Net profit before depreciation and amortisation, finance costs and tax expense	**10,290.20**	**13.66**	**14,353.93**	**17.12**
Depreciation and amortisation expense	4,508.83	5.99	5,658.41	6.75
Finance costs	3,158.19	4.19	3,599.15	4.29
Net profit before tax	**2,623.18**	**3.48**	**5,096.37**	**6.08**
Tax expense				
- Current period	1,239.60	1.65	1,988.37	2.37
- Deferred tax	(121.36)	(0.16)	(297.83)	(0.36)
Net profit for the period	**1,504.94**	**2.00**	**3,405.83**	**4.07**

Six months ended September 30, 2014 compared to the six months ended September 30, 2013

Income

Total income increased by 11.31% from Rs.75,312.14 lakhs in the six months ended September 30, 2013 to Rs.83,830.06 lakhs in the six months ended September 30, 2014 reflecting the growth in our operations.

Income from Operations

Gross income from operations increased by 10.43% from Rs.81,150.57 lakhs in the six months ended September 30, 2013 to Rs.89,613.37 lakhs in the six months ended September 30, 2014, while excise duty expenses decreased by 0.73% from Rs.6,059.43 lakhs in the six months ended September 30, 2013 to Rs.6,015.49 lakhs in the six months ended September 30, 2014. This resulted in an increase in net income from operations by 11.33% from Rs.75,091.14 lakhs in the six months ended September 30, 2013 to Rs.83,597.88 lakhs in the six months ended September 30, 2014. Income from operations increased primarily as a result of increase in sale of products.

Sale of products increased by 10.71% from Rs.79,883.82 lakhs in the six months ended September 30, 2013 to Rs.88,441.04 lakhs in the six months ended September 30, 2014. Export incentives of Rs.226.48 lakhs was recorded in the six months ended September 30, 2013. Miscellaneous receipts decreased by 36.06% from Rs.581.51 lakhs in the six months ended September 30, 2013 to Rs.371.83 lakhs in the six months ended September 30, 2014. Insurance claims received decreased by 28.35% from Rs.193.66 lakhs in the six months ended September 30, 2013 to Rs.138.76 lakhs in the six months ended September 30, 2014. However sundry balances and liabilities no longer required written back increased by 1,583.85% from Rs.11.95 lakhs in the six months ended September 30, 2013 to Rs.201.22 lakhs in the six months ended September 30, 2014, while gain on foreign exchange fluctuations increased by 192.63% from Rs.96.28 lakhs in the six months ended September 30, 2013 to Rs.281.74 lakhs in the six months ended September 30, 2014. Similarly, scrap sale increased by 13.31% from Rs.138.61 lakhs in the six months ended September 30, 2013 to Rs.157.06 lakhs in the six months ended September 30, 2014.

Other Income

Other income increased marginally by 5.06% from Rs.221.00 lakhs in the six months ended September 30, 2013 to Rs.232.18 lakhs in the six months ended September 30, 2014.

Interest received from deposits with banks increased by 39.43% from Rs.40.22 lakhs in the six months ended September 30, 2013 to Rs.56.08 lakhs in the six months ended September 30, 2014, while interest received from other accounts increased by 31.85% from Rs.66.85 lakhs in the six months ended September 30, 2013 to Rs.88.14 lakhs in the six months ended September 30, 2014. Similarly, margin money with banks and sundry balances and liabilities no longer required, written back also increased in the six months ended September 30, 2014 compared to the six months ended September 30, 2013. However interest received from loans to be subsidiaries, rent received and gain on sale of current investments have decreased in the six months ended September 30, 2014 compared to the six months ended September 30, 2013.

Expenses

Total expenses increased by 6.85% from Rs.65,021.94 lakhs in the six months ended September 30, 2013 to Rs.69,476.13 lakhs in the six months ended September 30, 2014. This was primarily due to growth of sales and increase in stock.

Cost of Raw Materials Consumed

Cost of materials consumed increased by 19.14% from Rs.14,296.82 lakhs in the six months ended September 30, 2013 to Rs.17,032.72 lakhs in the six months ended September 30, 2014. This was primarily due to increase in production.

Purchases of Traded Goods

Purchases of traded goods increased by 31.41% from Rs.12,115.98 lakhs in the six months ended September 30, 2013 to Rs.15,921.27 lakhs in the six months ended September 30, 2014.

Changes in Stock of Finished Goods and Work in Progress

There was an accretion in stock of finished goods and work in progress of Rs.4,693.45 lakhs in the six months ended September 30, 2014 compared to an accretion in stock of finished goods and work in progress of Rs.6,342.16 lakhs in the six months ended September 30, 2013.

Employees Benefit Expenses

Employees benefit expenses increased by 16.47% from Rs.7,778.89 lakhs in the six months ended September 30, 2013 to Rs.9,059.93 lakhs in the six months ended September 30, 2014 primarily due to increase in employee costs as a result of increments provided to employees.

Salaries, wages and bonus increased by 18.44% from Rs.7,051.56 lakhs in the six months ended September 30, 2013 to Rs.8,352.19 lakhs in the six months ended September 30, 2014, while contribution to provident and other funds increased by 1.03% from Rs.402.55 lakhs in the six months ended September 30, 2013 to Rs.406.71 lakhs in the six months ended September 30, 2014. However staff welfare expenses decreased from Rs.324.78 lakhs in the six months ended September 30, 2013 to Rs.301.03 lakhs in the six months ended September 30, 2014.

Other Expenses

Other expenses decreased by 13.50% from Rs.37,172.41 lakhs in the six months ended September 30, 2013 to Rs.32,155.66 lakhs in the six months ended September 30, 2014.

Stores and spares consumed increased by 5.48% from Rs.1,785.73 lakhs in the six months ended September 30, 2013 to Rs.1,883.63 lakhs in the six months ended September 30, 2014, while packing material consumed increased by 1.94% from Rs.4,297.84 lakhs in the six months ended September 30, 2013 to Rs.4,381.10 lakhs in the six months ended September 30, 2014. Similarly, discounts increased by 6.39% from Rs.1,643.73 lakhs in the six months ended September 30, 2013 to Rs.1,748.74 lakhs in the six months ended September 30, 2014, while other selling and distribution expenses increased by 18.46% from Rs.3,354.76 lakhs in the six months ended September 30, 2013 to Rs.3,973.89 lakhs in the six months ended September 30, 2014. In addition, advertisement and publicity expenses increased by 43.60% from Rs.612.00 lakhs in the six months ended September 30, 2013 to Rs.878.85 lakhs in the six months ended September 30, 2014, while miscellaneous expenses increased by 14.32% from Rs.761.02 lakhs in the six months ended September 30, 2013 to Rs.870.00 lakhs in the six months ended September 30, 2014. However there was a decrease of 28.99% in power and fuel expenses from Rs.20,348.18 lakhs in the six months ended September 30, 2013 to Rs.14,448.91 lakhs in the six months ended September 30, 2014.

Net Profit Before Depreciation, Amortisation, Finance Costs and Tax Expense

Net profit before depreciation, amortisation, finance costs and tax expense increased by 39.49% from Rs.10,290.20 lakhs in the six months ended September 30, 2013 to Rs.14,353.93 lakhs in the six months ended September 30, 2014.

Depreciation and Amortisation Expense

Depreciation and amortisation expense increased by 25.50% from Rs.4,508.83 lakhs in the six months ended September 30, 2013 to Rs.5,658.41 lakhs in the six months ended September 30, 2014 primarily reflecting addition in fixed assets and amortisation of goodwill.

Finance Cost

Finance costs increased by 13.96% from Rs.3,158.19 lakhs in the six months ended September 30, 2013 to Rs.3,599.15 lakhs in the six months ended September 30, 2014.

There was a decrease in interest on fixed period loans by 12.15% from Rs.3,338.84 lakhs in the six months ended September 30, 2013 to Rs.2,933.31 lakhs in the six months ended September 30, 2014. However interest on others and other borrowing costs have increased in the six months ended September 30, 2014 compared to the six months ended September 30, 2013.

Net Profit Before Tax

Net profit before tax increased significantly by 94.28% from Rs.2,623.18 lakhs in the six months ended September 30, 2013 to Rs.5,096.37 lakhs.

Tax Expense

Tax expenses (as adjusted for deferred tax) increased by 51.18% from Rs.1,118.24 lakhs in the six months ended September 30, 2013 to Rs.1,690.54 lakhs in the six months ended September 30, 2014.

Net Profit for the period / six months

For the various reasons discussed above, net profit for the period / six months increased by 126.31% from Rs.1,504.94 lakhs in the six months ended September 30, 2013 to Rs.3,405.83 lakhs in the six months ended September 30, 2014.

Recent Developments

Statement of Unaudited Financial Results

Pursuant to a meeting of its Board of Directors on January 15, 2015, our Company has adopted and filed with the Stock Exchanges on January 15, 2015, Statement of Unaudited Financial Results for the quarter and nine months ended December 31, 2014 in accordance with the provisions of Clause 41 of the Listing Agreement with the Stock Exchanges. For further information, please refer to the Statement of Unaudited Financial Results included in the section "Financial Information" in this Placement Document.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated on February 8, 1960 under the name of Hindusthan Twyfords Limited as a public limited company and received the certificate of commencement of business on February 26, 1960. Pursuant to a fresh certificate of incorporation consequent to change of name dated May 3, 1969, our Company's name was changed to Hindustan Sanitaryware & Industries Limited. Further, under schemes of amalgamation in 1981 and 1988, our Company took over the businesses of Associated Glass Industries Limited and Krishna Ceramics Limited respectively. The name of our Company was further changed to HSIL Limited on March 24, 2009.

The Equity Shares are listed on the BSE and NSE.

Our Company is primarily engaged in the production and manufacturing of sanitaryware.

The following are the significant recent events in the corporate history of our Company:

Year	Event
1960	Incorporated as Hindusthan Twyfords Limited
1981	Acquired Associated Glass Industries Limited
1988	Acquired Krishna Ceramics Limited
1999	Acquired Raasi Ceramics to further expand its sanitaryware business.
2010	Acquired faucet business undertaking from Havells India Limited
2012	Commencement of commercial production at glass plant at Bhongir, Andhra Pradesh
2012	Pursuant to a scheme of amalgamation, our wholly owned subsidiary, Garden Polymers Private Limited merged with our Company

Main Objects of our Company

1. To produce, manufacture, refine prepare import, export, purchase, sell, treat and generally do deal in all kinds of sanitaryware(including sanitaryware made of plastic, fibreglass or any other synthetic product), earthenware, stoneware, glass, terracotta, porcelain product, bricks, tiles, pottery, pipes, insulators, refractories of all description and by products thereof and building materials generally.

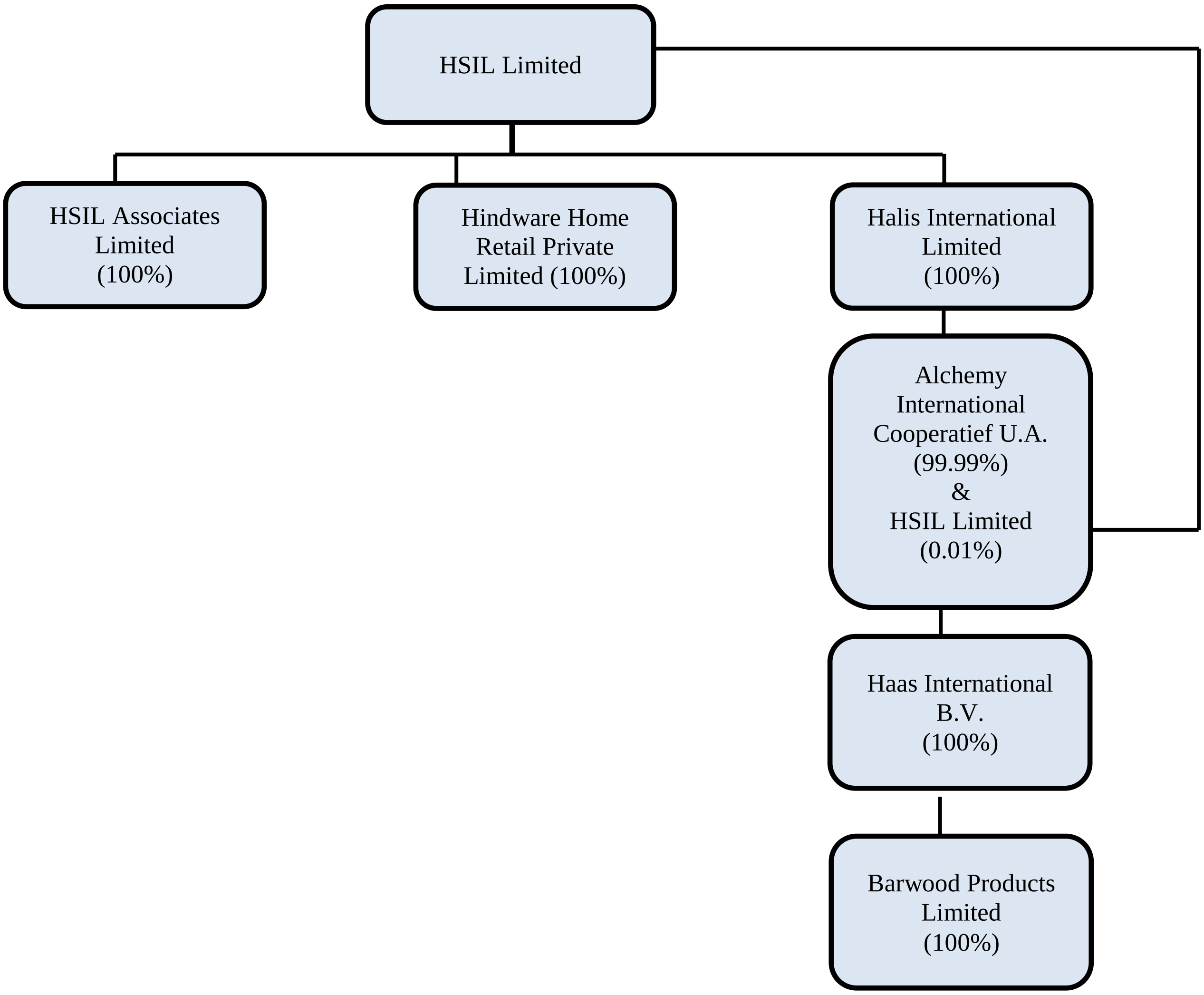
2. To produce, manufacture, refine prepare import, export, purchase, sell, treat and generally do deal in all kinds of cement(ordinary white coloured portland alumina, blast furnace, silica, etc.), cement product of any description(pipes, poles, asbestos, sheets, blocks, tiles, garden ware, etc.).

3. To carry on the business of paiviours and manufacturers of and dealers in fire bricks, fire clay fire cement, tiles, sewers, pipes, drain pipes, hume pipes, stone pies, concrete pipes and pipes of all kinds, pottery tiles, lime, cement, china and terra cotta and ceramic wares and sanitarywares.

4. To carry on in India or elsewhere any trade business manufacture or commence and the export and import of all kind of produce and merchandise and also business as agents, brokers, factors, financiers, shippers, manufacturers, planters, contractors, engineers, dealers, ship-owners, lightermen, carriers by land and sea, dock owners, wharfingers and warehousemen.

Organization structure:

Set forth is a simplified organizational structure chart of our Company and its subsidiaries as of March 31, 2014:



Subsidiaries of our Company

1. HSIL Associates Limited

HSIL Associates Limited was incorporated on September 4, 2008 as company limited by shares. Its CIN is U27107WB2008PLC129064. Its registered office is situated at 2- Red Cross Place, Kolkata- 700 001.
It is engaged in the business of producing, manufacturing, preparing, importing and exporting of sanitaryware, stoneware, etc.

As of March 31, 2014, its authorized share capital was Rs. 500,000 and its paid up capital was Rs. 500,000.

Its equity shares are not listed.

2. Hindware Home Retail Private Limited

Samridhi Suppliers Private Limited was incorporated on November 24, 2005 as private limited company. Pursuant to a fresh certificate of incorporation consequent to change of name dated November 28, 2006, its name was changed to Hindware Home Retail Private Limited. Its CIN is U51109WB2005PTC106307. Its registered office is situated at 2- Red Cross Place, Kolkata- 700 001.

It is engaged in the business of trading, selling, distributing, franchising various types of agencies, network marketing of household goods, consumer durable items, industrial goods of kinds and merchandise.

As of March 31, 2014, its authorized equity share capital was Rs. 250 million and authorised redeemable preference share capital was Rs 750 million. The paid up equity share capital was Rs. 220 million and paid up preference share capital was Rs 629 million.

Its equity shares are not listed.

3. Halis International Limited

Halis International Limited was incorporated on January 14, 2009 as private company limited by share. Its Company no. is C1/GBL/085830. Its registered office is situated at 4th floor, Hennesy Tower, Pope Hennessy Street, Port Louis, Mauritius.

It is an investment holding company.

As of March 31, 2014, its stated capital is US$ 3,177,000.

Its equity shares are not listed.

4. Alchemy International Cooperatief U.A

Alchemy International Cooperatief U.A was incorporated on April 24, 2009 vide Chamber of Commerce dated March 25, 2013. Its Commercial register no. is 34336255. Its registered office is situated at Kabelweg 37, 1014 BA Amsterdam, Netherland.

It is an investment holding company.

As of March 31, 2014, its members contribution (Capital) was Euro 2,443,778.

Its shares are not listed.

5. Haas International B.V.

Haas International B.V was incorporated on July 8, 2009 vide Chambers of Commerce dated March 25, 2013 as private company with limited liability. Its Commercial Register No. is 34348288. Its registered office is situated at Kabelweg 37, 1014 DA Amserdam, Netherland.

It is engaged in the business of investing.

As of March 31, 2014, its authorized share capital was Euro 90,000 and its paid up share capital was Euro 18,000.

Its equity shares are not listed.

6. Barwood Products Limited

Barwood Products Limited was incorporated on September 22, 2006 as private limited company. Pursuant to a fresh certificate of incorporation consequent to change of name dated January 3, 2007, its name was changed to Barwood products Limited. Its Company no. is 05944264. Its registered office is situated at Barwood House, Beta road, off Talke Road, New Castle Underlyme, Staffordshine, ST 57 UT

It is engaged in the business of manufacturing and trading of sanitaryware products.

As of March 31, 2014, its called up share capital was Pound 700,501.

Its equity shares are not listed.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

The Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (the "**Legal Metrology Act**") has come into effect on April 1, 2011. The Legal Metrology Act replaces the Standard Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and (c) simplified definition of packaged commodity and more stringent punishment for violation of provisions.

Bureau of Indian Standards Act, 1986

Bureau of Indian Standards Act, 1986 ("**Bureau of Indian Standards Act**") provides for the establishment of bureau for the standardisation, marking and quality certification of goods. The Bureau of Indian Standards Act provides for the functions of the bureau which include, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Sale of Goods Act, 1930

The Sale of Goods Act, 1930 ("**Sale of Goods Act**") governs the contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts. The Sale of Goods Act is complimentary to the Indian Contract Act, 1872, and the un-repealed provisions of the Indian Contract Act, 1872, save in so far as they are inconsistent with the express provisions of the Sale of Goods Act, continue to apply to contracts for the sale of goods. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

The Environment (Protection) Act, 1986

The Environment Protection Act, 1986 ("**EPA**") encompasses various environment protection laws in India. The EPA grants the Government of India the power to take any measures it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling pollution. Penalties for violation of the EPA include imprisonment, payment of a fine, or both. Under the EPA and the Environment (Protection) Rules, 1986, as amended, the Government of India issued a notification (S.O. 1533(E)) dated September 14, 2006 ("**EIA Notification**"), which requires the prior approval of the Ministry of Environment and Forests ("**MoEF**") or the State Environment Impact Assessment Authority ("**SEIAA**"), as the case may be, for the establishment of any new project and for expansion or modernization of existing projects specified in the EIA Notification. Under the EIA Notification, obtaining of prior environment clearance includes four stages: screening, scoping, public consultation and appraisal.

An application for environment clearance is made after the prospective project or activity site has been identified, but prior to commencing construction activity or other land preparation. Certain projects which require approval from the SEIAA may not require an EIA report. For projects that require preparation of an EIA report, public consultation involving public hearing and written responses is conducted by the State Pollution Control Board, prior to submission of a final EIA report. The environmental clearance (for commencement of the project) is valid for up to five years for all projects (other than mining projects), which may be further extended by the concerned regulator for up to five years.

The Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**") aims to prevent and control water pollution and to maintain or restore water purity. The Water Act provides for one central pollution control board, as well as various state pollution control boards, to be formed to implement its provisions. Under the Water Act, any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the prior consent of the relevant state pollution control board.

Additionally, the Water (Prevention and Control of Pollution) Cess Act, 1977 ("**Water Cess Act**") provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution. The cess to be paid is to be calculated on the basis of the amount of water consumed by such industry and the industrial purpose for which the water is consumed, as per the rates specified under the Water Cess Act.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**"), aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. The central pollution control board and state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Not all provisions of the Air Act apply automatically to all parts of India, and the state pollution control board must notify an area as an "air pollution control area" before the restrictions under the Air Act apply.

Laws relating to employment

The Factories Act, 1948 ("**Factories Act**") defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is or no electrically aided manufacturing process being carried on. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished with imprisonment for a term up to two years or with a fine up to ₹ 100,000 or with both in case of contravention of any provisions of the Factories Act or rules framed there under and in case of a contravention continuing after conviction, with a fine of up to ₹ 1,000 per day of contravention.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws applicable to the business and operations of Indian companies engaged *inter alia* in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947 and

- Workmen’s Compensation Act, 1923

Laws relating to intellectual property

The Trade Marks Act, 1999

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits the registration of trademarks for goods and services. The Trade Marks Act, 1999 (“**Trademark Act**”) governs the statutory protection of trademarks and for the prevention of the use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration may be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration may be made in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration has to be restored. The Trademark (Amendment) Act, 2010 has been enacted by the GoI to amend the Trademark Act to enable Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries, and to empower the Registrar of Trademarks to do so. It also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to bring the law generally in line with international practice.

The Patents Act, 1970

The Patents Act, 1970 (“**Patents Act**”) governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights (“TRIPS”), India is required to recognize product patents as well as process patents. In addition to broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The Patents Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of the application for the patent.

The Copyright Act, 1957

The Copyright Act, 1957 (“**Copyright Act**”) governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, copyright protection of a work lasts for a period of sixty years following the demise of the author.

Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright.

Consumer Protection Act, 1986

Consumer Protection Act, 1986 (“**COPRA**”) came into effect on December 24, 1986. COPRA reinforces the interest and rights of consumers by laying down a mechanism for speedy grievance redressal. Any person to whom goods were delivered/intended to be delivered or services were rendered/ intended to be rendered, or a recognized consumer association, or numerous consumers having the same interest, or the Central/State Government may lodge a complaint before the district forum or any other appropriate forum under COPRA, *inter alia,* for:

a. Defective or spurious goods or services;
b. Unfair or restrictive trade practices;
c. Manufacture or provision of hazardous goods/services, in contravention of any standards relating to safety; and

d. Misleading or false warranties or guarantee or representations by the manufacturer/service provider.

In addition to awarding compensations and/or corrective orders, the forums/commissions under COPRA are empowered to impose penalty in terms of imprisonment of not less than a month, but not exceeding three years, or a fine of not less than two thousand rupees, but not more than ten thousand rupees, or both.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to Memorandum and Articles of Association of our Company and the requirements of the applicable laws. The Articles set out that the number of Directors in our Company shall not be less than three and not more than twelve.

The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges on which our Company's Equity Shares are listed. As on the date of this Placement Document, our Company has 9 Directors with Executive Chairman. Out of the total 9 Directors, 5 are Independent Directors.

The following table sets forth details regarding the Board at the date of this Placement Document:

Name, Occupation, Term and Nationality	Age	Position	Director Identification Number	Address	Director Since
Mr. Rajendra Kumar Somany Occupation: Industrialist Term: Till January 8, 2018 and liable to retire by rotation Nationality: Indian	77	Chairman and Managing Director	00053557	B-5/12, Safdarjang Enclave, New Delhi, 110029, India	January 9, 1988
Mr. Sandip Somany Occupation: Industrialist Term: Till 30 November 2016 Nationality: Indian	51	Joint Managing Director	00053597	B-5/12, Safdarjang Enclave, New Delhi, 110029, India	September 12, 1995
Mr. Nand Gopal Khaitan Occupation: Professional Term: 5 years from 27 September 2014 Nationality: Indian	64	Independent Director	00020588	3, Queen Park, Kolkata, 700019, India	September 27, 1996
Mr. Vijay Kumar Bhandari Occupation: Professional Term: 5 years from 27 September 2014 Nationality: Indian	71	Independent Director	00052716	F-1704, Wallace Apartments(17th Floor), Sleater road, Grand road(W), Mumbai, 400007, India	July 24, 2004

Name, Occupation, Term and Nationality	Age	Position	Director Identification Number	Address	Director Since
Mr. Ashok Jaipuria Occupation: Professional Term: 5 years from 27 September 2014 Nationality: Indian	61	Independent Director	00214707	1/27, Shanti Niketan, New Delhi, 110021, India	July 24, 2004
Mr. Girdhari Lal Sultania Occupation: Professional Term: Liable to retire by rotation Nationality: Indian	69	Non- Executive, Non-Independent Director	00060931	2 Rowland Road, Kolkata, 700020, India	September 9, 2006
Dr. Rainer Siegfried Simon Occupation: Professional Term: 5 years from 17 December 2014 Nationality: German	64	Independent Director	03543040	Nolteweg 2, 30916, Isernhagen ,NA, Germany	May 18, 2011
Mr. Salil Bhandari Occupation: Consultant Term: 5 years from 27 September 2014 Nationality: Indian	57	Independent Director	00017566	B-381, Chittaranjan Park, New Delhi, 110019, India	May 29, 2012
Mrs. Sumita Somany Occupation: Industrialist Term : Liable to retire by rotation Nationality: Indian	48	Non- Executive, Non-Independent Director	00133612	B-5/12, Safdarjang Enclave, New Delhi, 110029, India	May 29, 2014

Brief Biographies of the Directors

Mr. Rajendra Kumar Somany

Mr. Rajendra Kumar Somany is the Chairman & Managing Director of our company. He is a commerce graduate from St. Xavier's College, Calcutta University. He has over 59 years of work experience across the sanitaryware and ceramics industries. He was the former President of PHD Chamber of Commerce and Industry, Associated Chambers of Commerce and Industry of India and Employers Federation of India and Chairman of

Council of Indian Employers. He was presented with Lifetime Achievement award by the Indian Plumbing Association. He was recognized as a *World Leader Businessperson* by the World Confederation of Business. He is a fellow member of Institute of Directors, American Ceramic Society, Institute of Materials, Minerals and Mining, UK and life fellow of the All India Management Association. He is an active member of Rotary Club from past 50 years, executive member of Indian Green Building Council ("IGBC"). Presently, he is also serving as a chairman of Indian Plumbing Skills Council.

Mr. Sandip Somany

Mr. Sandip Somany is the Joint Managing Director of our Company. He holds bachelor degree in commerce from Delhi University and diploma in fundamentals of ceramic technology from Ceramic Correspondence Institute, the United States of America. He was a President of Managing Committee of PHD Chamber of Commerce and Industry and member of executive committee FICCI and managing committee of Associated Chambers of Commerce and Industry of India (ASSOCHAM). Mr. Sandip Somany is a Chairman of Indian Council of Sanitaryware Manufactures (INCOSAMA) and member of the Delhi Chapter of the Young Presidents Organisation.

Mr. Nand Gopal Khaitan

Mr. Nand Gopal Khaitan is an Independent Director of our Company. He is a member of Bar Council of West Bengal. Mr. Khaitan is an attorney at law, notary public practising in Calcutta High Court. He is a partner of Khaitan & Co LLP. He was awarded Bell Chambers Gold medal by the incorporated Law Society, High Court, Calcutta. He is a committee member of the Federation of Indian Chambers of Commerce and Industry (FICCI) and Bharat Chamber of Commerce, Calcutta.

Mr. Vijay Kumar Bhandari

Mr. Vijay Kumar Bhandari is an independent director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He is an ex general manager of the Central Bank of India.

Mr. Ashok Jaipuria

Mr. Ashok Jaipuria is an Independent Director of our Company. He holds degree of associate of arts in business administration from John Quincy Adams College and diploma in marketing science from Institute of Marketing and Management. He is Chairman and Managing Director of Cosmo Films Ltd and Chairman of Cosmo Ferrites Limited. He was a former executive committee member of the FICCI. He is also a member of Board of Governors of IIT, Indore.

Mr. Girdhari Lal Sultania

Mr. Girdhari Lal Sultania is a non-executive and non-independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India and fellow member of Institute of Company Secretaries of India.

Mr. Salil Bhandari

Mr. Salil Bhandari is an Independent Director of our Company. He holds bachelor degree in commerce from Shri Ram College of Commerce, Delhi University and diploma in business administration from All India Council for Management Studies. He is also a fellow member of Institute of Chartered Accountants of India. He is the founder and Partner of BGJC and Associates and has been associated with several associations namely PHD Chamber of Commerce and Industry, management committee member at ASSOCHAM.

Dr Rainer Siegfried Simon

Dr. Rainer Siegfried Simon is an Independent Director of our Company. He holds PhD degree in economics and diploma in economics from St. Gallen University, Switzerland. He was a former president and CEO of Sanitec International AG and owner of Birch Court Gmbh.

Mrs. Sumita Somany

Mrs. Sumita Somany is the non-executive and non-independent director of our Company. She is a commerce graduate from University of Bombay.

Compensation of Directors

The Nomination and Remuneration Committee determines and recommends to the Board, the compensation of the Directors.

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites), professional fee, consultancy fee paid to the Directors during the current financial year and the last three financial years:

(in Rs. million)

Name	From April 1, 2014 to December 31, 2014	Fiscal Year 2014	Fiscal Year 2013	Fiscal Year 2012
Mr. Rajendra Kumar Somany	54.34	67.65	88.05	70.17
Mr. Sandip Somany	53.21	65.53	84.17	65.18
Mr. Nand Gopal Khaitan	1.98	1.79	2.33	1.99
Mr. Vijay Kumar Bhandari	1.98	1.79	2.33	1.99
Mr. Girdhari Lal Sultania****	2.58	2.92	3.53	3.18
Mr. Ashok Jaipuria	1.91	1.72	2.31	1.97
Mr. Salil Bhandari*	1.99	1.50	0.01	-
Dr. Rainer Siegfried Simon**	3.53	3.21	2.68	-
Mrs. Sumita Somany***	0.01	-	-	-

*Mr. Salil Bhandari appointed as independent director on May 29, 2012
**Mr. Rainer Siegfried Simon appointed as independent director on May 18, 2011. Includes professional fee paid pursuant to approvals of central government under section 309 (4) of the Companies Act, 1956 dated March 19, 2012 and July 31, 2014.
***Mrs. Sumita Somany appointed as non-executive non-independent director on May 29, 2014.
**** Compensation to Mr. Girdhari Lal Sultania includes consultancy fee paid to him

Terms of employment of the Managing Director

Mr. Rajendra Kumar Somany – Chairman and Managing Director

Salary

Salary of Rs. 1.75 million per month with an annual increment of Rs. 0.25 million.

Mr. Rajendra Kumar Somany is eligible for commission at the rate of 4% of the net profit of our Company for each financial year computed in the manner as per the Companies Act.

Perquisites and Allowances:

He will be entitled to the house rent allowance, leave travel concession, medical reimbursement, clubs fees, personal accident insurance and other benefits / allowances in accordance with the rules of our Company. For the purpose of computation of the aforesaid limit, the following benefits / perquisites shall not be considered: (i) our Company's contribution to provident fund and superannuation fund, (ii) encashment of leave at the end of the tenure, and (iii) payment of gratuity at a rate not exceeding half a month's salary for each completed year of service.

Other Benefits

Provision of car for use on Company’s business and telephone at resident, mobile, laptop and internet connection for the purpose of Company’s business.

Mr. Sandip Somany – Joint Managing Director

Salary

Salary of Rs 1.10 million per month with an annual increment of Rs 0.2 million up to Rs. 1.70 million.
Mr. Sandip Somany is eligible for commission at the rate of 4% of the net profit of our Company for each financial year computed in the manner as per the Companies Act.

Perquisites and Allowances:

He will be entitled to the house rent allowance, leave travel concession, medical reimbursement, clubs fees, personal accident insurance and other benefits / allowances in accordance with the rules of our Company. For the purpose of computation of the aforesaid limit, the following benefits / perquisites shall not be considered: (i) our Company's contribution to provident fund and superannuation fund, (ii) encashment of leave at the end of the tenure, and (iii) payment of gratuity at a rate not exceeding half a month's salary for each completed year of service.

Other Benefits

Provision of car for use on company's business and telephone at resident, mobile, laptop and internet connection for the purpose of company's business

Relationship with other Directors

Following directors are related to each other:

Name of Director	Nature of relationship
Mr. Rajendra Kumar Somany and Mr. Sandip Somany	Father and son
Mr. Sandip Somany and Mrs. Sumita Somany	Husband and wife

Borrowing powers of the Board

The Board of Directors are authorized to borrow money upon such terms and conditions as the Board may think fit an aggregate amount not exceeding Rs.15,000 million.

Interest of Directors and Promoters

The directors of our Company may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings and commission as well as to the extent of reimbursement of expenses payable to them. The Managing Director may be deemed to be interested to the extent of remuneration paid to him for services rendered as an officer of our company.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or that may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

There are no existing or potential conflicts of interest between any duties owed to our Company by the Directors and the private interests or external duties of the Directors. As part of their investment portfolio, certain of the Directors may from time to time hold direct or beneficial interests in securities of our Company or other companies, with which our Company has engaged or may engage in transactions, including those in the ordinary course of business. Our Company does not believe that the holdings in such other companies create a conflict of interest because transactions typically engaged between the issuers of such securities and our Company are not likely to have a material effect on the prices of such securities.

Except as disclosed in this Placement Document, and except to the extent of shareholding in our Company, our Directors do not have any economic interest in our Company. As of December 31, 2014, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

For details relating to contracts, agreements or arrangements entered into by our Company during the two years preceding the date of this Placement Document, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements, see "Financial Information" on page 181.

Other than as disclosed the Placement Document, the promoters of our Company do not have any interest in our Company other than to the extent of their shareholding in our Company.

Except as disclosed the salary, commission and bonus of Mr. Girdhari Lal Sultania in this Placement Document, he has entered into a consultancy contract for a period of 3 years with effect from April 1, 2014 on payment of a remuneration of Rs 1.25 million per annum plus service tax as applicable, expenses on travelling, conveyance, loading and boarding, reimbursement of incidental and out of pocket expenses towards professional fees rendered.

Shareholding of Directors

As on December 31, 2014, following Directors hold Equity Shares of our company:

Names of Directors	Number of Equity Shares held	Percentage of paid up capital (%)
Mr. Rajendra Kumar Somany	2,620,114	3.97
Mr. Sandip Somany	2,904,028	4.40
Mrs. Sumita Somany	76,665	0.12
Mr. Ashok Jaipuria	18,000	0.02
Mr. Vijay Kumar Bhandari	Nil	Nil
Mr. Girdhari Lal Sultania	6,705	0.01
Mr. Nand Gopal Khaitan	832	0.00
Dr. Rainer Siegfried Simon	Nil	Nil
Mr. Salil Bhandari	Nil	Nil

Except as otherwise stated in this Placement Document, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on December 31, 2014, no Director has taken any loans from our Company.

Corporate Governance

Our Company complies with the requirements on Corporate Governance norms provided in Clause 49 of the Listing Agreement issued by the Stock Exchanges. Our Company is committed in its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general.

Our Company believes that its Board is constituted in compliance with the Companies Act and the Listing Agreements which are currently in force. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of Board of Directors

1. Audit Committee

The terms of reference of the Audit Committee of the Board of Directors were last amended on May 29, 2014. This Committee comprises of four directors. All four directors are independent directors namely Mr. Vijay Kumar Bhandari, Mr. Nand Gopal Khaitan, Mr. Salil Bhandari and Mr. Ashok Jaipuria. Mr. Vijay Kumar Bhandari is the chairman of this committee.

2. Nomination and Remuneration Committee

The Remuneration Committee of the Board of Directors was renamed as Nomination and Remuneration Committee on May 29, 2014. The terms of references were last amended on August 11, 2014 and was last reconstituted on 29 October, 2014.This Committee comprises of four directors namely Mr. Vijay Kumar Bhandari, Mr. Ashok Jaipuria, Mrs. Sumita Somany and Mr. Salil Bhandari. Mr. Salil Bhandari is the chairman of this committee.

3. Corporate Affairs Committee

The Corporate Affairs Committee was last reconstituted on July 20, 2012. The Committee comprises of four directors of which one is independent directors namely Mr. Salil Bhandari. The other member of the Committee is Mr. Rajendra Kumar Somany, Mr. Girdhari Lal Sultania and Mr. Sandip Somany. Mr. Rajendra Kumar Somany is the chairman of this committee.

4. Stakeholders Relationship (Shareholders/Investors Grievance) Committee

Shareholders / Investors Grievance Committee was renamed as Stakeholders Relationship (Shareholders/ Investors) Committee on May 29, 2014. The terms of reference of the Stakeholders Relationship (Shareholders/ Investors) Committee of the Board of Directors were last amended on 29 May, 2014 and the last reconstituted was on 20 July, 2012. This Committee comprises of three independent directors namely Mr. Nand Gopal Khaitan, Mr. Vijay Kumar Bhandari and Mr. Salil Bhandari. The other member of the committee is Mr. Girdhari Lal Sultania. Mr. Nand Gopal Khaitan is the Chairman of this committee.

5. Share Transfer Committee

The Share Transfer Committee was constituted on June 6, 2000. The Share Transfer Committee comprises of three members of which Mr. Girdhari Lal Sultania is non- executive and non-independent director. The other members of the committee are Mr. N Goenka and Mr. Shyamalendu Banerjee. Mr. Girdhari Lal Sultania is the chairman of this committee.

6. Corporate Social Responsibility Committee

The Corporate Social Reponsibility Committee was constituted on May 29, 2014. It comprises of three directors namely Mr Salil Bhandari, Mr. Rajendra Kumar Somany and Mr. Sandip Somany. Mr. Salil Bhandari is the chairman of the Committee.

Key managerial personnel of our Company

Our operations are overseen by a professional management team. Our senior management team has the requisite experience and the qualification for their respective responsibilities. In addition to our Managing Director, the following are the key managerial personnel:

(a) **Mr Rajendra Kumar Somany**

Mr Rajendra Kumar Somany is the Chairman and Managing Director of our Company. He is responsible for the management of our Company.

(b) **Ms. Payal M Puri**

Ms Payal M Puri is the Company Secretary and Compliance Officer and is responsible for secretarial and legal functions.

(c) **Mr. Vijay Kumar Ajmera**

Mr.Vijay Kumar Ajmera is the Chief Financial Officer of our Company. He is responsible for the overall finance functions of our Company.

Senior management personnel of our Company

(a) **Mr. R. B. Kabra**

Mr R. B. Kabra is the President – Building Products division of our Company. He has over 30 years of work experience. He is a fellow member of the Institute of Chartered Accountants of India and member of the Institute of Company Secretaries of India.

(a) **Mr. Arun Kumar D.**

Mr. Arun Kumar D. is the President – Packaging Products division of our Company. He has over 40 years of work experience and over 20 years of experience of with our Company. He is mechanical engineers from Bangalore University. He is a governing body member of the Indian Institute of Packaging Mumbai. He is also managing committee member of the Federation of Andhra Pradesh Chambers of Commerce and Industry.

Compensation of our Company's key managerial personnel

During Fiscal Year 2014, our Company paid a total remuneration of Rs. 75.34 million to its key managerial personnel.

Bonus or profit sharing plan of the key managerial personnel

Mr. Rajendra Kumar Somany is eligible for commission at the rate of 4% of the net profit of our Company for each financial year computed in the manner as per the Companies Act.

Other than as disclosed above, our Company does not have any bonus or profit sharing plan with the key managerial personnel.

Interest of key managerial personnel

Other than as disclosed above, the key managerial personnel of our Company do not have any interest in our Company other than to the extent of their shareholding in our Company, if any, the remuneration or benefits of which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Payment or Benefit to Officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any other benefit upon termination of his employment in our Company.

Shareholding of our Company's key managerial personnel

Sr. No.	Name of key managerial personnel	Number of Equity Shares held as on as on December 31, 2014	Percentage of paid up capital (%)
1.	Mr. Rajendra Kumar Somany	2,620,114	3.97
2.	Ms. Payal M Puri	Nil	-
3.	Mr. Vijay Kumar Ajmera	2,500	0.00

Other Confirmations

None of the Directors, Promoters or key managerial personnel of our Company have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The following table presents information regarding the ownership of Equity Shares by the Shareholders as of December 31, 2014:

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of Shares held in Dematerialized Form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) =(VIII) /(IV)*100
(A)	**Shareholding of Promoter and Promoter group**							
(1)	**Indian**							
(a)	Individuals/Hindu Undivided Family	5	5,747,719	5,747,719	8.70	8.70	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	3	28,314,530	28,314,530	42.87	42.87	-	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total(A)(1)	**8**	**34,062,249**	**34,062,249**	**51.57**	**51.57**	-	-
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Other(specify)	-	-	-	-	-	-	-
	Sub-Total(A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**8**	**34,062,249**	**34,062,249**	**51.57**	**51.57**	-	-
(B)	**Public Shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/UTI	37	13,514,596	13,514,596	20.46	20.46	-	-
(b)	Financial Institutions/Banks	7	17,531	1,687	0.03	0.03	-	-
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	1	500	-	0.00	0.00	-	-
(f)	Foreign Institutional Investors	39	7,077,543	7,077,543	10.72	10.72	-	-
(g)	Foreign Venture	-	-	-	-	-	-	-

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of Shares held in Dematerialized Form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) =(VIII) /(IV)*100
	Capital Investors							
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B) (1)	**84**	**20,610,170**	**20,593,826**	**31.21**	**31.21**	-	-
(2)	**Non-Institutions**							
(a)	Bodies Corporate	527	2,290,042	2,275,114	3.47	3.47	-	-
(b)	Individuals-							
	i. Individual shareholders holding nominal share capital up to Rs.1 lakh	16303	7,597,988	6,403,391	11.50	11.50	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	13	1,207,524	1,207,524	1.83	1.83	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-
(d)	Any Other (specify)							
(d-i)	Non-Resident Individual	386	233,450	222,491	0.35	0.35	-	-
(d-ii)	Trusts	6	12,152	12,152	0.02	0.02	-	-
(d-iii)	Clearing Member	60	32,820	32,820	0.05	0.05		
	Sub-Total (B) (2)	**17295**	**11,373,976**	**10,153,492**	**17.22**	**17.22**	-	-
	Total Public Shareholding (B)=B(1)+(B)(2)	**17379**	**31,984,146**	**30,747,318**	**48.43**	**48.43**	-	-
	Total (A)+(B)	**17387**	**66,046,395**	**64,809,567**	**100.00**	**100.00**	-	-
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**17387**	**66,046,395**	**64,809,567**	**100.00**	**100.00**	-	-

(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" as on December 31, 2014

Sr. No.	Name of Shareholder	Total Equity Shares held	Percentage of paid up capital (%)
1	Rajendra Kumar Somany	26,20,114	3.97
2	Sandip Somany	19,90,908	3.01
3	Sandip Somany	9,13,120	1.38

Sr. No.	Name of Shareholder	Total Equity Shares held	Percentage of paid up capital (%)
4	Divya Somany	1,46,912	0.22
5	Sumita Somany	76,665	0.12
6	Paco Exports Limited	2,06,64,530	31.29
7	Soma Investments Ltd.	40,00,000	6.06
8	New Delhi Industrial Promotors and Investors Ltd.	36,50,000	5.53
	TOTAL	**3,40,62,249**	**51.57**

(I)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares as on December 31, 2014

Sr. No.	Name of the shareholder	Number of Equity Shares	Percentage of paid up capital (%)
1	Reliance Capital Trustee Company Limited A/c. Reliance Growth Fund	35,63,744	5.40
2	Sundaram Mutual Fund A/C Sundaram Select Midcap	20,80,000	3.15
3	Mondrian Emerging Markets Small Cap Equity Fund, L. P.	17,94,932	2.72
4	HDFC Trustee Company Limited - HDFC Prudence Fund	10,76,042	1.63
5	National Westminster Bank Plc as Trustee of The Jupiter India Fund	9,68,000	1.47
6	Ontario Pension Board- Mondrian Investment Partners Limited	9,43,977	1.43
7	Sundaram Mutual Fund A/C Sundaram Smile Fund	8,64,694	1,31
8	Ambit Corporate Finance Pvt. Ltd.	8,10,900	1.23
9	Reliance Capital Trustee Co. Ltd. A/c Reliance Cap Fund	7,65,374	1.16
	TOTAL	**1,28,67,663**	**19.48**

(I)(c)(ii) Statement showing holding of securities (including shares, warrants, convertible securities) of persons (together with PAC) belonging to the category "Public" and holding more than 5% of the total number of shares of our Company as on December 31, 2014

Sr.No.	Name of the shareholder	Number of Equity Shares	Percentage of paid up capital (%)
1	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	35,63,744	5.40
	TOTAL	**35,63,744**	**5.40**

(I)(d) STATEMENT SHOWING DETAILS OF LOCKED-IN SHARES AS ON DECEMBER 31, 2014

Nil

(II)(a) STATEMENT SHOWING DETAILS OF DEPOSITORY RECEIPTS (DRS) AS ON DECEMBER 31, 2014

Nil

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares held by "Promoter/Promoter group" are in excess of 1% of the total number shares as on December 31, 2014.

Nil

Our Company has only one class of security namely Equity Shares having voting right of one vote per Equity Share.

ISSUE PROCEDURE

Below is a summary intended to present a general outline of the procedure relating to the bidding, payment, Allocation and Allotment of the Equity Shares. The procedure followed in this Issue may differ from the one mentioned below and the prospective investors are assumed to have appraised themselves of the same from our Company or the GC-BRLMs.

The prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the GC-BRLMs and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and the GC-BRLMs and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Transfer Restrictions".

Qualified Institutions Placement

This Issue is being made to QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations and section 42 of the Companies Act and the rules thereunder, through the mechanism of Qualified Institutions Placement ("**QIP**") wherein a listed company in India may issue and allot equity shares/fully convertible debentures/partly convertible debentures/non-convertible debentures with warrants or any other security (other than warrants) which are convertible into or exchangeable with equity shares at a later date to QIBs on a private placement basis.

Additionally, there is a minimum pricing requirement for pricing equity shares, offered in a QIP, under the SEBI ICDR Regulations. The issue price of the equity shares shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. Pursuant to amendment to the SEBI ICDR Regulations, an issuer may offer a discount of not more than 5% on the price calculated for the QIP as above, subject to the approval of the shareholders by a special resolution pursuant to Regulation 82(a) of the SEBI ICDR Regulations.

The "relevant date" referred to above means the date of the meeting in which the board of directors or the committee of directors, duly authorized by the board of directors, decides to open the proposed issue and "stock exchange" means any of the recognized stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date.

Equity shares must be allotted within 12 months from the date of the shareholders resolution approving the QIP. The equity shares issued pursuant to the QIP must be issued on the basis of a placement document that shall contain all material information including the information specified in Schedule XVIII of the SEBI ICDR Regulations and Form PAS- 4 as prescribed under Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Pursuant to the provisions of Section 42 of the Companies Act and the rules made thereunder for a transaction that is not a public offering (i.e. a private placement), an invitation or offer may be made to such number of persons not exceeding two hundred, excluding QIBs and employees of a company. Hence, there is no restriction on the number of QIBs that may apply in this Issue. The placement document is a private document, provided to only QIBs interested in apply in this Issue, through serially numbered copies and is required to be placed on the website of the concerned stock exchange and of the Issuer with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on a recognized stock exchange in India.

The minimum number of allottees for each QIP shall not be less than:

- Two, where the issue size is than or equal to Rs. 250 million; and
- Five, where the issue size is greater than Rs. 250 million.

No single allottee shall be allotted more than 50% of the issue size. QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee for this purpose.

The issuer is required to furnish a copy of the placement document to each stock exchange on which its equity shares are listed. Accordingly, our Company has filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges, SEBI and ROC.

The aggregate of the proposed QIP and all previous QIPs made in the same financial year shall not exceed five times the net worth of the Issuer as per its audited balance sheet of the previous financial year.

Our Company has received the in-principle approval of the BSE and NSE dated March 9, 2015 under Clause 24 (a) of its Equity Listing Agreements for the Issue. Our company has filed a copy of the Preliminary Placement Document with the Stock exchanges. Our company will file a copy of the Placement Document with the stock exchanges. The board of directors of our Company has authorised the Issue pursuant to a resolution passed at its meeting held on October 29, 2014. The shareholders of our Company at general meeting held on December 17, 2014 have authorised the Issue by a special resolution. Further, the Corporate Affairs Committee in their meetings held on March 9, 2015 approved the Issue.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and bids may not be made by persons in such jurisdictions except in compliance with applicable laws.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable US state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Prospective purchasers will be deemed to have represented to us and the GC-BRLMs in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an offshore transaction in accordance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For a description of certain restrictions on transfer of the Equity Shares, see "Selling Restrictions", "Transfer Restrictions" and "Representations by Investors" on page 138, 143 and 3 respectively.

Issue Procedure

1. Our Company and the GC-BRLMs shall identify the QIBs and circulate serially numbered copies of the Preliminary Placement Document, this Placement Document and the serially numbered Application Form, either in electronic form or physical form to QIBs and the Application Form shall be specifically addressed to such QIBs. In terms of section 42(7) of the Companies Act, our Company shall maintain complete record of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and with SEBI within the stipulated time period as required under the Companies Act and the rules made thereunder.

2. The list of Eligible QIBs to whom the Application Form is delivered shall be determined by the GC-BRLMs at their sole discretion. **Unless a serially numbered Preliminary Placement Document along with the Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such other person and any application that does not comply with this requirement shall be treated as invalid.

3. QIBs may submit the Application Form, including any revisions thereof, during the Bidding Period to the GC-BRLMs.

4. Bidders shall submit Bids for, and our Company shall issue and allot to each successful Allottee at least

such number of Equity Shares in the Issue which would aggregate to Rs. 20,000 calculated at the face value of the Equity Shares.

5. QIBs will be required to indicate the following in the Application Form:

   (a) Full official name of the QIB to whom Equity Shares are to be Allotted;

   (b) number of Equity Shares Bid for;

   (c) price at which they offer to apply for the Equity Shares provided that QIBs may also indicate that they are agreeable to submit a bid in respect of the Equity Shares which shall be any price as may be determined by our Company in consultation with the GC-BRLMs at or above the Floor Price net of such discount as approved by the shareholders of our Company;

   (d) a representation that it is outside the United States at the time it places its buy order for the Equity Shares, it is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S and it has agreed to certain other representations set forth in the section "Transfer Restrictions" on page 143 of this Placement Document and in the Application Form; and

   (e) the details of the beneficiary account(s) to which the Equity Shares should be credited.

   Note: Each sub – account of an FII other than a sub – account which is a foreign corporate or a foreign individual will be considered as an individual QIB and separate Application Forms would be required from each such sub – account for submitting Bids. FIIs or sub-accounts of FIIs are required to indicate SEBI FII/ sub-account registration number in the Application Form.

6. Once a duly filled in Application Form is submitted by the QIB, such Application Form constitutes an irrevocable offer and the same cannot be withdrawn after the Issue Closing Date.

7. The Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund.

9. Upon the receipt of the duly filled in Application Form, our Company in consultation with the GC-BRLMs shall decide both the Issue Price and the number of Equity Shares to be issued. On determination of the Issue Price, the GC-BRLMs will send serially numbered Confirmation of Allocation Notes to the QIBs who have been Allocated Equity Shares along with serially numbered Placement Documents. The dispatch of the CANs shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire application amount (being the product of the Issue Price and the number of Equity Shares Allocated to such QIB). The CAN shall contain details like the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIBs.

   Pursuant to receiving the CAN, the Eligible QIBs would have to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price through electronic transfer to the Escrow Account by the Pay-In Date as specified in the CAN sent to the respective Eligible QIB. **Please note that the allocation shall be at the absolute discretion of our Company and will be based on the recommendation of the GC-BRLMs.**

10. No payment shall be made by QIBs in cash. Please note that any payment of application monies for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilized only for the purposes permitted under the Companies Act

i.e. the Escrow Account.

11. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CAN to the QIBs. Our Company will intimate the details of the Allotment to the Stock Exchanges.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful bidders, our Company shall apply to the Stock Exchanges for listing.

13. After receipt of the listing approvals from the BSE and NSE, our Company shall credit the Equity Shares into the Depository Participant accounts of the respective QIB.

14. Our Company shall then apply for the final trading permissions from the BSE and NSE.

15. The Equity Shares that have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from BSE and NSE.

16. Upon receipt of intimation of final listing and trading approval from BSE and NSE, our Company may inform the Eligible QIBs who have received an Allotment of the receipt of such approval. Our Company and the GC-BRLMs shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the BSE and NSE or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the BSE and NSE are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1) (zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1) (b) of Chapter VIII of the SEBI ICDR Regulations are eligible to invest. Under Regulation 86(1) (b) of the SEBI ICDR Regulations, no Allotment shall be made, either directly or indirectly, to any QIB who is a Promoter or any person related to the Promoters. Currently QIBs eligible to Bid in the Issue include:

- Alternate investment funds registered with SEBI;
- FPIs;
- Foreign venture capital investors registered with SEBI;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- Multilateral and bilateral development financial institutions;
- Mutual funds registered with SEBI;
- Pension Funds with minimum corpus of Rs. 25 million;
- Provident Funds with minimum corpus of Rs. 25 million;
- Public financial institutions as defined in section 2(72) of the Companies Act, 2013;
- Scheduled commercial banks;
- State industrial development corporations;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India; and
- Venture capital funds registered with SEBI.

FIIs (other than a sub-account which is a foreign corporate or a foreign individual) and Eligible FPIs shall participate in this Issue under Schedule 2 and Schedule 2A of FEMA 20, respectively. FIIs and Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs and FIIs does not exceed specified limits as prescribed under applicable laws in this regard. Other eligible non-resident QIBs shall participate in the Issue under Schedule 1 of the FEMA 20 and shall make the payment of application money through the foreign currency non-resident (FCNR) account and not through the special non-resident rupee (SNRR) account.

In terms of the SEBI (FPI) Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to be 10.00% or above of our post-Issue Equity Share capital. Further, in terms of the FEMA 20, the total holding by each FPI shall be below 10.00% of our total paid-up Equity Share capital and the total holdings of all FPIs put together shall not exceed 24.00% of our paid-up Equity Share capital. The aggregate limit of 24.00% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. On January 15, 2015 our Board of Directors passed resolutions for increasing the FII/FPI limit from 24% to 40% and increase in NRI limit to 5% of the paid up equity share capital of our Company and the same was approved by requisite majority of shareholders through postal ballot on March 4, 2015. The proposed increase in the said aggregate limit shall be effective from the date RBI takes note of the same.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Subject to trailing condition, an FII or sub-account of an FII may participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. If the registration of the FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees under the SEBI (FPI) Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI (FPI) Regulations.

Allotment made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

In terms of FEMA 20, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Under Regulation 86(1) (b) of the SEBI ICDR Regulations, no allotment shall be made pursuant to this Issue, either directly or indirectly, to any Eligible QIB being our Promoter or any person related to our Promoter. QIBs, who have all or any of the following rights, shall be deemed to be a person related to the Promoter:

(a) rights under a shareholders' agreement or voting agreement entered into with our Promoter or persons related to our Promoter; or
(b) veto rights; or
(c) right to appoint any nominee director on our Board.

Provided that an Eligible QIB who does not hold any shares in our Company and who has acquired the said rights in the capacity of a lender shall not be deemed to be person related to our Promoter.

Our Company and the GC-BRLMs and any of their respective shareholders directors, officers, counsel, advisors, representatives, agents or affiliates are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single Application Form from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that any requisite compliance pursuant to this Allotment such as public disclosures under applicable laws is complied with. QIBs are advised to consult their advisers in this regard. Furthermore, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code.

The QIBs, shall solely be responsible for compliance with the provisions of the Takeover Code, the Insider Trading Regulations, and other applicable laws, rules, regulations, guidelines notifications and circulars.

Note: Affiliates or associates of the GC-BRLMs who are Eligible QIBs may participate in this Issue subject to compliance with applicable laws.

Allotments made to FVCIs and VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements.

A minimum of 10 per cent of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other QIBs.

Bid Process

Application Form

QIBs are permitted to only use the serially numbered Application Forms (which is addressed to the QIB) supplied by the GC-BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including any revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including revisions thereof) for Equity Shares pursuant to the terms of the Preliminary Placement Document, each Eligible QIB will be deemed to have made the following representations and warranties, and the representations, warranties and agreements made under "Notice to Investors", "Selling Restrictions", and "Transfer Restrictions", "Representations By Investors". The representations listed in this section shall be included in the Application Form:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the SEBI ICDR Regulations and has a valid and existing registration under the applicable laws of India and is eligible to participate in this Issue and is not excluded under Regulation 86 of the SEBI ICDR Regulations;

2. The QIB confirms that it is not a promoter of the Issuer and is not a person related to the Promoter of the Issuer, either directly or indirectly and its Application does not directly or indirectly represent the Promoter or Promoter Group or a person related to the Promoter of our Company;

3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board of the Issuer other than such rights acquired in the capacity of a lender (not holding any Equity Shares) which shall not be deemed to be a person related to the Promoter;

4. The QIB has no right to withdraw its Bid after the Issue Closing Date;

5. The QIB confirms that if Equity Shares are Allotted pursuant to this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to this Issue. The QIB further confirms that its holding of the Equity Shares does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The QIB confirms that the Bids will not eventually result in triggering an open offer under the Takeover Code;
8. The QIB confirms that to the best of its knowledge and belief together with other Eligible QIBs in this Issue that belongs to the same group or are under common control, the Allotment to the QIB shall not exceed 50% of the Issue Size. For the purposes of this statement:

    (a) The expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

    (b) "Control" shall have the same meaning as is assigned to it by sub-clause (e) of clause 1 Regulation 2 of the Takeover Code.

9. The QIBs shall not undertake any trade in the Equity Shares credited to its Depository Participant account until such time that the final listing and trading approvals for the Equity Shares are issued by

BSE and NSE.

10. The QIB confirms that it is purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and it shall not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India. It also confirms all other applicable representations and warranties included under "**Representations by Investors**", "**Notice to Investors**", "**Selling Restrictions**" and "**Transfer Restrictions**".

QIBs MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB-ACCOUNTs OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT ELIGIBLE QIB.

IF SO REQUIRED BY THE GC-BRLM's, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO GC-BRLM's TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

Demographic details like address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by the QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for its share of Allotment (as indicated by the CAN) and becomes a binding contract on the Eligible QIB, upon issuance of the CAN by the Issuer in favour of the Eligible QIB.

Submission of Application Form

All Application Forms shall be required to be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Application Form shall be submitted to the GC-BRLMs either through electronic form or through physical delivery at the following addresses:

Name of the GC-BRLMs	Address	Contact Person	Email	Phone
ICICI Securities Limited	ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020, India	Sumit Agarwal	Project.superbrand@icicisecurties.com	+ 91 22 2288 2460 / 70
Kotak Mahindra Capital Company Limited	27 BKC, 1st Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, India	Karl Sahukar	Hsil.qip@kotak.com	+91 22 4336 0000

The GC-BRLMs shall not be required to provide any written acknowledgement of the same.

Permanent Account Number or PAN

Each QIB should mention its Permanent Account Number ("**PAN**") allotted under the IT Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Application Form.** Bids without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicant should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build-up of the book

The QIBs shall submit their Bids (including the revision thereof) through the Application Form within the Bidding Period to the GC-BRLMs.

Price discovery and Allocation

Our Company, in consultation with the GC-BRLMs, shall finalize the Issue Price for the Equity Shares, which shall be at or above the Floor Price. Our Company has offered a discount of Rs. 12.53 on the Floor Price of Rs. 412.53 in terms of Regulation 85 of the SEBI ICDR Regulations. After finalization of the Issue Price, our Company shall update the Preliminary Placement Document with the details of the Issue and file the Placement Document with the Stock Exchanges.

After finalisation of the Issue Price, our company shall update the Preliminary Placement Document with the Issue details and file the same with Stock Exchanges as Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the GC-BRLMs on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations.

Application Forms received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Application Form being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE GC-BRLMs IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE GC-BRLMs AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE GC-BRLMs ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

Number of Allottees

The minimum number of Allottees in the Issue shall not be less than:

(a) two, where the Issue Size is less than or equal to Rs. 2,500 million; or

(b) five, where the Issue Size is greater than Rs. 2,500 million;

Provided that no single Allottee shall be Allotted more than 50 per cent. of the aggregate amount of the Issue Size, and provided further that QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of this clause. For details of what constitutes “same group” or “control”, please refer to - “Bid Process - Application Form”.

The Equity Shares will be Allotted within 12 months from the date of the shareholders resolution approving this Issue.

CAN

Based on the Application Forms received, our Company in consultation with the GC-BRLMs will, in its sole and absolute discretion, decide the list of QIBs to whom the serially numbered CANs shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of the same in their respective names shall be notified to such QIBs. Additionally, the CANs would include details of Escrow Account into which such payments would need to be made, Pay-In Date as well as the probable designated date ("**Designated Date**"), being the date of credit of the Equity Shares to the Eligible QIB's account, as applicable to the respective Eligible QIBs.

The QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the CAN to the QIB shall be deemed a valid, binding and irrevocable contract for the Eligible QIB to furnish all details that may be required by the GC-BRLMs and our Company and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOCATED / ALLOTTED TO THEM PURSUANT TO THE ISSUE.

Bank Account for the Payment of Bid Money

Our Company has opened an escrow account titled "**HSIL Limited – QIP Escrow Account**" ("Escrow Account") with the Escrow Bank in terms of the arrangements between our Company, the GC-BRLMs, Kotak Mahindra Bank (acting as the Escrow Bank). The QIBs will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in their respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favouring the Escrow Account within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

In case of cancellations or default by the QIBs, our Company and the GC-BRLMs has the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion, subject to the compliance with the requirements of the Companies Act and the SEBI ICDR Regulations.

Our Company undertakes to utilize the amount in the Escrow Account only for the purposes of (i) adjustments against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

Designated Date and Allotment of Equity Shares

1. The Equity Shares will not be Allotted unless the QIBs pay the Issue Price to the Escrow Account as stated above.

2. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN for the Eligible QIBs who have paid the aggregate subscription amounts as stipulated in the CAN.

3. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

4. Our Company reserves the right to cancel this Issue at any time up to Allotment without assigning any reasons whatsoever.

5. Post receipt of the listing approvals of the BSE and NSE, the Issuer shall credit the Equity Shares into the Depository Participant account of the QIBs.

6. Following the Allotment and credit of Equity Shares into the QIBs beneficiary account, our Company

will apply for final listing and trading approvals for trading on BSE and NSE.

7. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, in accordance with section 42 of the Companies Act, we shall repay the application money within 15 days from expiry of 60 days, failing which we shall repay that money with interest at the rate of 12% per annum from expiry of the 60th day. The application money to be refunded by us shall be refunded to the same bank account from which application money was remitted by the QIBs.

8. The Escrow Bank shall release the monies lying to the credit of the Escrow Bank Account to our Company after receipt of listing and trading approval from the Stock Exchanges.

9. In case of QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges shall make the same available on their website.

Other Instructions

Our Right to Reject Bids

Our Company, in consultation with the GC-BRLMs, may reject Bids, in part or in full, without assigning any reasons whatsoever. The decision of our Company and the GC-BRLMs in relation to the rejection of Bids shall be final and binding.

Equity Shares in dematerialised form with NSDL or CDSL

1. The Allotment of the Equity Shares in this Issue shall be only in dematerialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

2. A QIB applying for Equity Shares must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid.

3. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

4. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

5. The trading of the Equity Shares would be in dematerialised form only for QIBs in the demat segment of the respective Stock Exchanges.

6. Our Company and the GC-BRLMs will not be responsible or liable for the delay in the credit of Equity Shares due to errors in the Application Form or on part of the Eligible QIBs.

Compliance officer

Ms. Payal M Puri
Company Secretary & Compliance Officer
301-301, IIIrd Floor , Park Centra,
Sector 30, National Highway 8, Gurgaon, 122 001, Haryana
Tel: +91 124 4779200
Fax: +91 124 4292898/99
Email: payal@hindware.co.in

PLACEMENT

The GC-BRLMs has entered into a Placement Agreement dated March 9, 2015 with our Company, pursuant to which, the GC-BRLMs has agreed, subject to certain conditions, to place the Equity Shares of our Company, on reasonable efforts basis, pursuant to Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and the issue is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares and admit them to trading on the Stock Exchange. No assurance can be given as to the liquidity or sustainability of the trading market for Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies in India and that, with the exception of QIBs, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than QIBs.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under "Selling Restrictions" and "Transfer Restrictions" on page 138 and 143 respectively. For further details, see section "Selling Restrictions", "Transfer Restrictions" and "Representations by Investors" on page 138, 143 and 3 respectively.

In connection with the Issue, the GC-BRLMs (or its affiliates) may, for its own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the GC-BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise of a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the GC-BRLMs who are eligible QIBs may purchase Equity Shares and be allocated Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of offshore derivative instruments see "Offshore Derivative Instruments" and "Representations by Investors".

The GC-BRLMs and certain of their affiliates have in past provided, currently provide and may in the future from time to time provide, investment banking general financing and banking and advisory services to our company and our affiliates for which they have in the past received, currently receive and may in the future receive, customary fees.

Lock-up

The Company agrees that they will not, without the prior written consent of the BRLMs, during the period from the date hereof and ending 180 days after the Closing Date (both days inclusive): (a) purchase, issue, offer, lend, pledge, sell, contract to sell or issue, sell or issue any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; (b) enter into any swap or other agreement or any other transaction that transfers, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility; or (e) publicly announce any intention to enter into any transaction described in (a) to (d) above, whether any such transaction described in (a) to (d) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise. Provided, however, that the foregoing restrictions do not apply to the issuance of any Issue Shares as contemplated under Placement Agreement and the Placement Documents.

Further, without the prior written consent of the BRLMs, neither one of them will, and will procure that no member of the group of companies owned by the Rajendra Somany family will, during the period commencing on the date hereof and ending 180 days after the date of allotment of shares pursuant to the Issue (both days inclusive):

1. directly or indirectly, offer, pledge, sell, contract to sell, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any shares or any other securities of the Company substantially similar to the shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive, Shares or any such substantially similar securities, whether now owned or hereinafter acquired,
2. enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the shares or any such substantially similar securities, whether now owned or hereinafter acquired;

   whether any such transaction described in clause (1) or (2) above is to be settled by delivery of shares or such other securities, in cash or otherwise, or

3. deposit shares with any other depositary in connection with a depositary receipt facility, or
4. enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the shares in any depository receipt facility;
5. publicly announce its intention to enter into the transactions referred to in (1) to (4) above;

except in each case to a member of the Rajendra Somany family that is also a party to the Placement Agreement or to a member of the Rajendra Somany family that signs an agreement with substantially similar terms to the Placement Agreement or executes a deed of adherence to the terms of the Placement Agreement in favour of the BRLMs, in each case in advance of such transfer.

In addition, the undersigned agree that, without the prior written consent of the BRLMs, neither one of them will, and will procure that no member of the Rajendra Somany family will, during the period commencing on the date hereof and ending 180 days after the date of allotment of Shares pursuant to the Issue (both days inclusive), make any demand for or exercise any right with respect to, the registration of any Shares or any other securities of the Company substantially similar to the Shares outside India, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Shares or any such substantially similar securities, whether now owned or hereinafter acquired.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document or any offering materials are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorized or permitted.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in India, the United States or any other jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on our Company or the Global Coordinators and Book Running Lead Managers. The Issue will be made in compliance with the applicable ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on page 1, 138 and 143, respectively of this Placement Document.

Australia

This Placement Document is not a disclosure document under Chapter 6D of the Corporations Act 2001 (Cth) (the "Australian Corporations Act"), and has not been lodged with the Australian Securities and Investments Commission and does not purport to include the information required of a disclosure document under the Australian Corporations Act. (i) The offer of the Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without disclosure to investors under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in Section 708 of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Share sold to the offeree within 12 months after their issue or transfer to the offeree under this Placement Document.

Cayman Islands

This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. Equity Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an exempt offer (an "Exempt Offer") in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "DFSA"). This Placement Document is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with an Exempt Offer. The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it. The Equity Shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer may not made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant

Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), make an offer of Equity Shares to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Global Coordinator and Book Running Lead Manager for any such offer; or

- in any other circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of the Prospectus Directive.

provided that no such offer of Equity Shares shall result in a requirement for the publication by our Company or the Global Coordinator and Book Running Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Directive. For the purposes of this provision, the expression an "offer of Equity Shares to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means, of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Hong Kong

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, in Hong Kong, by means of any document, other than to "professional investors", as defined in the Securities and Futures Ordinance, Cap. 571 of the laws of Hong Kong ("Securities and Futures Ordinance") and any rules made under that Ordinance; or to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance, Cap. 32 of the laws of Hong Kong ("Companies Ordinance") or which do not constitute an offer to the public within the meaning of the Companies Ordinance or an invitation to the public within the meaning of the Securities and Futures Ordinance. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the securities laws of Hong Kong) other than with respect to Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap 571) of Hong Kong and any rules made under that Ordinance. This Placement Document and the Equity Shares have not been and will not be registered with the Securities and Futures Commission of Hong Kong and/or the Stock Exchange of Hong Kong. There are no public markets or platforms in Hong Kong for the purchase or disposal of the Equity Shares. If you are in doubt as to the contents of this Placement Document, you must immediately seek legal and investment advice from your solicitor, accountant and/or professional advisors.

Japan

The offering of the Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "**Financial Instruments and Exchange Law**"). The Equity Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Laws and any other applicable laws, regulations and ministerial guidelines or ordinances of Japan. As used in this paragraph, a "resident of Japan" means any natural person residing in Japan and business offices located in Japan, including any corporation or other entity organized under the laws of Japan.

Korea

The Equity Shares have not been registered under the Korean Securities and Exchange Law, and the Equity Shares acquired in connection with the distribution contemplated hereby may not be offered or sold, directly or indirectly, in Korea or to or for the account of any resident thereof, except as otherwise permitted by applicable Korean laws and regulations, including, without limitation, the Korean Securities and Exchange Law and the Foreign Exchange Transaction Laws. Neither our Company nor the Global Coordinator and Book Running Lead Manager may make any representation with respect to the eligibility of any recipients of this Placement Document to acquire the Equity Shares offered hereby under the laws of Korea.

Kuwait

The Issue has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has our Company received authorisation or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Shares within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of Equity Shares, may be rendered within Kuwait by our Company or persons representing our Company unless a licence is obtained from the Kuwait Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No approval, authorization or recognition from, or registration with, the Securities Commission of Malaysia ("SCM") has been applied for or will be obtained for the offer for subscription or purchase of, or invitation to subscribe for or purchase, the Equity Shares or any other securities under the Capital Markets and Services Act 2007. Neither this Placement Document nor any prospectus or other offering document has been or will be approved by, or registered or lodged with, the SCM or any other authority in connection with the offering or invitation in Malaysia. Accordingly, no offering or invitation in respect of the Equity Shares or any other securities is or will be made in Malaysia pursuant to this Placement Document or any amendment or supplement hereto. This Placement Document or any amendment or supplement hereto or any other offering document in relation to the Equity Shares may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

Our shares may not be offered, distributed or sold, directly or indirectly, in Mauritius or to any resident of Mauritius, except as permitted by applicable Mauritius securities law. No offer or distribution of securities will be made to the public in Mauritius.

Oman

By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been approved by the Capital Market Authority of Oman (the "CMA":) or any other regulatory body or authority in the Sultanate of Oman ("Oman"), nor has the Global Coordinator and Book Running Lead Manager or any placement agent acting on its behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute interests in the Equity Shares within Oman.

No marketing, offering, selling or distribution of any interests in the Equity Shares has been or will be made from within Oman and no subscription for any interests in the Equity Shares may or will be consummated within Oman. Neither the Global Coordinator and Book Running Lead Manager nor any placement agent acting on its behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the Global Coordinator and Book Running Lead Manager nor any placement agent acting on its behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

Nothing contained in this Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

People's Republic of China

The Global Coordinator and Book Running Lead Manager and our Company represents, warrants and agrees that:

This Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the People's Republic of China (the "PRC"). The Equity Shares have not been and will not be filed with, or approved by, the China Securities Regulatory Commission or any other regulatory authority in the PRC.

The Placement Document has not been, may not be, issued, circulated or distributed in the PRC and the Equity Shares have not been and may not be offered, sold, pledged or transferred, directly or indirectly, within the territory of PRC, to any PRC person or entity unless such person or entity has obtained the requisite approval from, or has made the appropriate filings with, the relevant PRC authorities.

Qatar

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the state of Qatar in a manner that would constitute a public offering. The Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, the Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than recipient thereof.

Singapore

The Global Coordinator and Book Running Lead Manager has acknowledged that the Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Global Coordinator and Book Running Lead Manager has represented and agreed that it has not offered or sold any Equity Shares issued pursuant to the Issue or caused such Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Equity Shares issued pursuant to the Issue or cause such Equity Shares to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will they circulate or distribute, the Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Equity Shares issued pursuant to the Issue, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except:

(i) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(ii) where no consideration is or will be given for the transfer;
(iii) where the transfer is by operation of law; or
(iv) as specified in Section 276(7) of the SFA.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "**UAE**"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. The Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. The Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

By receiving this Placement Document, the person or entity to whom the Placement Document has been issued understands, acknowledges and agrees that the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom

The Global Coordinator and Book Running Lead Manager has represented and agreed that:

i. is a person who is a qualified investor within the meaning of Section 86(7) of the Financial Services and Markets Act 2000 (the "**FSMA**"), being an investor whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business;

ii. has not offered or sold and will not offer or sell the Equity Shares other than to persons who are qualified investors within the meaning of Section 86(7) of the FSMA or who it reasonably expects will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Equity Shares would otherwise constitute a contravention of Section 19 of the FSMA by us;

iii. has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to it; and

iv. has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom

United States

The Equity Shares in this Issue have not been and will not be registered under the U.S. Securities Act and, unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

Accordingly, The Equity Shares are being offered outside the United States in offshore transactions in reliance on Regulation S. Each purchaser of the Equity Shares will be deemed to have made the representations, agreements and acknowledgements as described under section "***Transfer Restrictions***" on page 143.

TRANSFER RESTRICTIONS

In terms of Chapter VIII of the SEBI Regulations, resale of Equity Shares, except on the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsel prior to making any resale, pledge or transfer of our Company's Equity Shares, and also to refer to "Selling Restrictions" on page 138.

Subject to the foregoing, by accepting this Placement Document and purchasing any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed with our Company and the Managers as follows:

- you have received a copy of the Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or representation concerning our Company or the Equity Shares and neither our Company nor any other person responsible for this document or any part of it or the Global Coordinators and Book Running Lead Managers will have any liability for any such other information or representation;

- you are purchasing the Equity Shares in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S and you agree that you will not offer, sell, pledge or otherwise transfer such Equity Shares except in an offshore transaction complying with Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;

- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the U.S. Securities Act;

- you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S); and

- our Company, the Global Coordinators and Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this document, each of which is given to (a) the

- Global Coordinators and Book Running Lead Managers on their own behalf and on behalf of our Company, and (b) to our Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify our Company.

In addition to the above, allotments made to QIBs, including FVCIs, VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them.

Any resale or other transfer or attempted resale or other transfer, made other than in compliance with the above stated restrictions will not be recognised by our Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the GC-BRLMs or any of their respective affiliates or advisors.

The Indian securities market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"). On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the Securities and Exchange Board of India Act, 1992, as amended from time to time (the "**SEBI Act**"), notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalization requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, Mutual Funds, FIIs, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

As on July 2, 2014, there are 15 recognized stock exchanges in India. Most of the stock exchanges have their own governing board for self-regulation. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the listing agreements of the respective stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under such listing agreement or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend such equity listing agreements and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

All listed companies are required to ensure a minimum public shareholding at 25% (either immediately upon listing of its equity shares or within three years of such listing). Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting. SEBI is in the process of amending the delisting regulations to add a provision that if the acquirer and the merchant banker are able to demonstrate that they have contacted all the public shareholders, about the offer in the manner prescribed, then the condition of mandatory participation of 25% of the public shareholders holding shares in demat mode would not be applicable.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available. The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996. The securities in the NSE 50 Index are highly liquid.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. The NSE became the first exchange to grant approval to its members for providing internet based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"), which provides specific regulations in relation to substantial acquisition of shares and takeover. The Takeover Regulations came into effect on October 22, 2011 and replaced the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the "**Takeover Code 1997**"). Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

The key changes from the Takeover Code 1997 under the Takeover Code include:

- the trigger for making a public offer upon acquisition of shares or voting rights has been increased from 15% to 25%;
- every public offer has to be made for at least 26% of all the shares held by other shareholders;
- creeping acquisition of up to 5% is permitted up to a limit of 75% of the shares or voting rights of a company;
- acquisition of control in a target company triggers the requirement to make a public offer regardless of the level of shareholding and the acquisition of shares; and
- if the indirect acquisition of a target company is a predominant part of the business or entity being acquired, it would be treated as a direct acquisition.

Insider Trading Regulations

The Insider Trading Regulations have been notified by SEBI to prohibit and penalize insider trading in India. An insider is, among other things, prohibited from dealing either on his own behalf or on behalf of any other person, in the securities of a listed company when in possession of unpublished price sensitive information.

The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a predefined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person reasonably expected to have access to unpublished price sensitive information in relation to securities of a company and who is or was connected with the company or is deemed to have been connected with the company.

On January 15, 2015 SEBI notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Insider Trading Regulations 2015"). The SEBI (Prohibition of Insider Trading) Regulations, 1992 have been repealed. Under the Insider Trading Regulations 2015, the definition of insider has been expanded to mean a connected person or any person in possession of or having access to unpublished price sensitive information. A connected person means any person who is or has during the six months prior to the concerned act been associated with the company, directly or indirectly, in a contractual, fiduciary or employment relationship and has direct or indirect access to unpublished price-sensitive information. The Insider Trading Regulations 2015 also provide disclosure obligations on insider and company for trading or holding more than a predefined value. The Insider Trading

Regulations 2015 shall come into force on the 120th day from the date of its publication in the Official Gazette.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. Further, SEBI framed regulations in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI

DESCRIPTION OF EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association, and the sections of the Companies Act, 2013. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

Our Company's authorized share capital is Rs. 222,500,000 divided into 111,250,000 Equity Shares. As on the date the issued equity share capital is Rs. 132,100,000 divided into 66,050,220 Equity Shares and paid up equity share capital is Rs. 132,097,000 divided into 66,046,395 Equity Shares of Rs. 2 each. This includes an amount of Rs. 0.004 million paid on forfeited Equity Shares. For further details, please see "Capital Structure" on page 64.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM of shareholders held each financial year. Under the Companies Act, 2013 unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions specified under Section 123 of the Companies Act, 2013 and the rules made thereunder no dividend can be declared or paid by a company for any financial year except (a) out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013; or (b) out of the profits of the company for any previous financial year(s) arrived at in accordance with the Companies Act, 2013 and remaining undistributed; or (c) out of both; or (d) out of money provided by the Central Government or a state Government for payment of dividend by the company in pursuance of a guarantee given by that Government.

The Articles of Association provide that our Company in its general meeting may declare dividends to be paid to the members according to their respective rights and interest in the profits. The dividend shall not exceed the amount recommended by our Board, though a smaller dividend may be declared. Further, our Board may from time to time pay the members interim dividend as may appear to them to be justified. No dividend may be paid otherwise than out of the profits of our Company, arrived at in the manner provided under the Companies Act. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of call or otherwise in relation to the shares of the Company. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.

Subject to the provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or dividends in respect of his share(s), whilst any money may be due or owing from him to our Company in respect of such share(s) either above or jointly with any other person and the Board may deduct from the interest or dividend payable to any such Shareholder all sums of money so due from him to our Company. Unless otherwise directed in accordance with Section 206 of the Act, and dividend, interest or other moneys payable in cash in respect of any share may be paid by cheque or warrant sent by post to the registered address of the member or in the case of members registered jointly to the registered address of that one of the members registered jointly who is first named on the Register in respect of such share or to such person and such address as the member or members registered jointly, as case may be, may direct, and every cheque or warrant sent shall be made payable to the order of the person to whom it is sent.

Subject to applicable provisions of the FEMA, all dividends and other distributions declared and payable on the Equity Shares may be paid by our Company to the Shareholder in Rupees and may be converted into foreign currency and freely transferred out of the Republic of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the Republic of India or any political subdivision or taxing authority thereof.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares, which are similar to stock dividend. The Companies Act, 2013 permits the issue of fully paid up bonus shares from its free reserves, securities premium account or capital redemption reserve account, provided that bonus shares shall not be issued by capitalising reserves created by revaluation of assets. These bonus Equity Shares must be distributed to shareholders in proportion to the number of Equity Shares owned by them as recommended by the board of directors.

Any issue of bonus shares by a listed company would be subject to the SEBI ICDR Regulations. The relevant SEBI ICDR Regulations prescribe that no company shall make a bonus issue of equity shares if it has outstanding fully or partly convertible debt instruments at the time of making the bonus issue, unless it has made reservation of the equity shares in the same class in favour of the holders of the outstanding convertible debt instruments in proportion to the convertible part thereof and the equity shares reserved for the holders of fully or partly convertible debt instruments shall be issued at the time of conversion of such convertible debt instruments on the same terms or same proportion on which the bonds were issued. Further, for issuance of such bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The declaration of bonus shares in lieu of a dividend cannot be made. The bonus issuance shall be made out of free reserves built out of genuine profits or share premium collected in cash only. The reserves created by revaluation of fixed assets cannot be capitalised. Further, a company should have sufficient reason to believe that it has not defaulted in respect of the payment of statutory dues of the employees, such as contributions to provident funds, gratuities and/or bonuses.

The Articles of Association of our Company provide that any general meeting may upon the recommendation of the Board reserve that the whole or any part of the undivided profits of the company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or have been carried forward without being divided) be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized amount be applied on behalf of such members in paying up in full any unissued shares, debentures or debenture-stock of the company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised amount. Provided that any sum standing to the credit of as share premium account or a capital redemption reserve account may, for the purposes of this Article, only be applied in paying up of unissued shares to be issued to members of the Company as
fully paid bonus shares.

Alteration of Share Capital

Subject to the provisions of the Companies Act, 2013 our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the paid up share capital on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date or on receipt of earlier intimation from the persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Private placement and public issues shall be undertaken pursuant to Chapter III of the Companies Act, 2013.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by our Company's shareholders in a general meeting. Our Company may, by a resolution passed in a general meeting, from time to time, increase the share capital by the creation of new shares of such amount as may be deemed expedient and specified in the resolution. Such increase in the share capital shall be subject to compliance with the provision of the Companies Act and of any other laws that may be in force. New shares shall be issued upon such terms and conditions and with such rights and privileges attached thereto as are consistent with provisions of the Companies Act and which the general meeting, resolving upon the creation thereof shall direct and if no direction be given, as our Board shall determine, and in particular such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of our Company and with a special or without any right of voting, subject to the conditions prescribed under the Companies Act, 2013.

Our Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by our Company pursuant to the consent of the members of our Company to convert such debentures or loans into shares or to subscribe for shares in our Company.

Our Company may by Special Resolution:

(a) Consolidate and divide its shares or any of them into shares of larger amount than its existing shares;

(b) Subdivide its existing shares or any of them into shares of smaller amount than is fixed originally by the Memorandum of Association, such that in the subdivision, the proportion between the amount paid and the amount unpaid on each reduced Share be the same as it was in the case of the Share from which the reduced Share is derived and other conditions, if any, laid down by the Articles of Association;

(c) Cancel any shares which at the date of the passing of the ordinary resolution, have not been taken or agreed to be taken by any person and also may diminish the amount of its Share capital by the amount of the shares so cancelled.

General Meetings of Shareholders

Every year our Company is required to hold an annual general meeting in addition to any other meetings. Further, our Board may, whenever it thinks fit, call an extraordinary general meeting and shall, on the requisition of a number of members who constitute not less than one-tenth of the paid-up capital of our Company, proceed to call an extraordinary general meeting. Not less than 21 days' clear notice in writing of the general meeting is to be given, but shorter notice may be given if consent in writing is accorded by all the members entitled to vote and in case of any other meetings, with the consent of members holding not less than 95% of such part of the paid-up Share capital of our Company which gives a right to vote at the meeting. An explanatory statement shall be annexed to every notice of a general meeting. The quorum requirements for a general meeting are as prescribed under Section 103 of the Companies Act 2013, and no business is to be transacted at the general meeting unless the requisite quorum is present at the commencement of the same. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place. The Articles of Association further provide that no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

The chairman of our Board shall be entitled to take the chair at every general meeting. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall, on a show of hands or on a poll if properly demanded elect one of their members, being a member entitled to vote, to be Chairman of the meeting. At any general meeting, unless a poll is duly ordered by the Chairman a declaration by the Chairman that the resolution has or has not been carried, or has or has not been carried either unanimously, or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.

Voting Rights

Every member present in person shall have one vote on a show of hands, and on poll, the member present in person or by proxy shall have one vote for each Share of our Company held by him, subject to any rights or restrictions for the time being attached to any class or classes of shares. The votes may be given by proxies in a manner as authorised under the Articles of Association.

The instrument appointing a proxy is required to be lodged at the registered office at least 48 hours before the time of the meeting. No proxy shall be entitled to vote on a show of hands. A vote given in accordance with the terms of and instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion thinks fit of the due execution of an instrument of proxy and that the same has not been revoked.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

Directors

The Articles of Association provide that the number of Directors shall not be less than three and not be more than twelve. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles of Association. The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day, those to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

The Board shall have power from time to time and at any time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. Any Director so appointed shall hold office only up to the date of the next Annual General Meeting of the Company and shall then be eligible for reappointment.

Our Board is required to meet at least once in every three calendar months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year.

Annual Report and Financial Results

An annual report which includes information about our Company such as the Financial Statements as of the date of closing of the financial year, the Directors‘ report, the management‘s discussion and analysis and a corporate governance section is required to be sent to the Shareholders in compliance with applicable laws. Our Company is required to submit the annual report to the Stock Exchanges under the Listing Agreement. Our Company must also publish its financial results in at least one English daily newspaper circulating in the whole or substantially the whole of India and also in a daily newspaper published in the language of the region where the Registered Office is situated. Our Company files certain information online, including the annual report, Financial Statements and the shareholding pattern statement, in accordance with the requirements of the Listing Agreement and as may be specified by the SEBI from time to time.

Transfer of shares

An application for registration of a transfer of the shares in our Company may be made either by the transferor or the transferee. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless our Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

Our Company is required to comply with the rules, regulations and requirements of the stock exchange or the rules made under the Companies Act, or the rules made under the Securities Contracts (Regulation) Act, 1956, as amended ("**SCRA**"), or any other law or rules applicable, relating to the transfer or transmission of shares or debentures.

Winding-up

Upon the winding-up of the Company, the holders of Preference Shares shall be entitled to be paid all arrears of preferential dividend whether earned or declared down to the commencement of winding up and also to be repaid the amount of capital paid up or credited as paid up on such Preference Share held by them respectively in priority to the Equity Shares but shall not be entitled to any further rights to participate in profits or assets subject as aforesaid and to the rights of any other holders of share entitled to receive preferential payment over the Equity Shares in the event of the winding up of Company, the holders of Equity Shares shall be entitled to be repaid the amount of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement of the winding up. If the assets shall be insufficient to repay the whole of the paid up equity capital, such assets shall be distributed so that as nearly as may be the Losses shall be borne by the members holding Equity Shares in proportion to the capital paid up or which ought to have been paid up on the Equity Shares held by them respectively at the commencement of the winding up other than the amounts paid by them in advance of calls.

If the Company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators, with the like sanction, shall think fit.

INDEPENDENT AUDITORS

Walker Chandiok & Co LLP, Chartered Accountants, have audited our audited consolidated financial statements for the financial years ended March 31, 2014, 2013 and 2012 and have reviewed our unaudited interim condensed standalone financial statements for the six months ended September 30, 2014 (Unaudited Interim Condensed Standalone September Financial Statements) included in this Placement Document. Walker Chandiok & Co LLP, Chartered Accountants, have also reviewed our unaudited condensed financial information as of and for the quarter and nine months ended December 31, 2014 and 2013 (Statement of Unaudited Financial Results) included in this Placement Document. The Statement of Unaudited Financial Results are presented in accordance with the requirements of Clause 41 of the Listing Agreements with the Stock Exchanges and may not be comparable to the presentation of the Reformatted Consolidated Financial Statements or the Interim Condensed September Financial Statements included in this Placement Document.

TAXATION

Statement of possible tax benefits available to the Company and its shareholders under the applicable laws in India

To
The Board of Directors
HSIL Limited
Delhi

Dear Sirs/Madams,

Subject: Qualified Institutions Placement (the "QIP") by HSIL Limited (the "Company"), pursuant to Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and Section 42 of the Companies Act, 2013, as amended.

In our opinion, the enclosed annexure states the possible tax benefits available to HSIL Limited ("the Company" or "HSIL") and to the shareholders of the Company under the provisions of the Income-tax Act, 1961 ("the IT Act") and Wealth-tax Act, 1957 ("the WT Act"), presently in force in India for the Financial Year ("FY") 2014-15 [Assessment Year ("AY") 2015-16] and direct tax amendments proposed vide the Finance Bill, 2015 ("FB 2015")[1] to give effect to the financial proposals of the Central Government for the FY 2015-16 (collectively referred to as "tax laws"). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever changing tax laws in India.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been or would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. The same shall be subject to notes to this annexure.

[1] It is to be noted that the amendments proposed vide the FB 2015 are yet to be approved by the Parliament and thereafter, the President of India.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein.

This statement of tax benefit has been issued solely at the request of the Company for use in connection with the QIP by the Company and this statement of tax benefit or extracts thereof may accordingly be used in the Preliminary Placement Document and the Placement Document (collectively, referred to as "Placement Document") to be filed with the BSE Limited and National Stock Exchange of India Limited in connection with the QIP and it is not to be used, circulated, quoted, or otherwise referred to for any other purpose without our prior written consent.

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

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

Place : Gurgaon
Date : 9 March 2015

Annexure

TAXATION

The tax benefits listed below are the possible benefits available under the tax laws in India in a summary manner only and are not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares, under the tax laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional advice.

The following tax benefits shall be available to the Company and the prospective shareholders based on the provisions of the IT Act as of the date hereof and amendments proposed vide the FB 2015. The IT Act is amended by the Finance Act every fiscal year. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions.

I. Benefits to the Company - Under the IT Act

1. Special Tax Benefits

1.1 Under Section 80IA of the IT Act, 100% of the profits and gains derived by an undertaking from the business of generation or generation and distribution of power, is deductible for 10 consecutive AYs out of 15 years beginning from the year in which the undertakings generates power or commences transmission or distribution of power, subject to conditions specified in that Section, provided it begins to generate power at any time during the period beginning on April 1, 1993 and ending on March 31, 2017.

No deduction under Section 80IA of the IT Act shall be allowed where the assessee fails to make a claim in its return of income.

1.2 Under Section 80JJAA of the IT Act, an Indian company which is engaged in the manufacture of goods in a factory is entitled to a deduction of an amount equal to 30% of additional wages paid to the new regular workmen employed by the assessee in such factory, in the FY, for three AYs including the AY relevant to the previous year in which such employment is provided.

For the purposes of the above, “additional wages” means the wages paid to the new regular workmen in excess of 100 workmen employed during the FY. In the case of an existing factory, the additional wages shall be nil if the increase in the number of regular workmen employed during the year is less than 10% of existing number of workmen employed in such factory as on the last day of the preceding year. The term “factory” shall have the same meaning as assigned to it in clause (m) of Section 2 of the Factories Act, 1948 (63 of 1948).

Vide the amendment proposed in the FB 2015, the benefit is to be extended to all the assessees having manufacturing units rather than restricting it to Indian companies only. Further, it is proposed to extend the benefit to units employing even 50 instead of 100 regular workmen. [2]

2. General Tax Benefits

2.1 Under Section 10(2A) of the IT Act, share in the total income of the partnership firm which is separately assessed as such, is exempt from tax in the hands of the Company being a partner in a firm.

2.2 Under Section 10(33) of the IT Act, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking

[2] It is to be noted that the amendments proposed vide the FB 2015 are yet to be approved by the Parliament and thereafter, the President of India.

and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset takes place on or after the April 1, 2002 is exempt from tax.

2.3 Under Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O[3] of the IT Act (i.e. dividends declared, distributed or paid by domestic companies on or after April 1, 2003) received on the shares of any domestic company is exempt from tax.

2.4 Under Section 10(34A) of the IT Act, any income arising to an assessee, being a shareholder, on account of buy-back of shares (not being listed on a recognized stock exchange) by the company as referred to in Section 115QA of the IT Act.

2.5 Under Section 10(35) of the IT Act, any income by way of income received in respect of the units of a Mutual Fund specified in Section 10(23D) of the IT Act; or in respect of units from the Administrator of the specified undertaking; or in respect of units from the specified company as defined in Explanation to Section 10(35) of the IT Act is exempt from tax.

However, no deduction is permitted in respect of expenditures incurred in relation to income which is not chargeable to tax. The expenditures relatable to "exempt income" need to be determined in accordance with the provisions specified in Section 14A of the IT Act read with Rule 8D of the Income Tax Rules, 1962 ("the IT Rules").

2.6 **Deductions under "Income from House Property"**

2.6.1 Under Section 24(a) of the IT Act, the Company is eligible for a standard deduction of 30% of the annual value of the property (i.e. actual rent received or receivable on the property or any part of the property which is let out); where the Company has income chargeable to tax under the head "*Income from House Property*".

2.6.2 Further, under Section 24(b) of the IT Act, where the house property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction in computing the income, if any, from such house property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction in computing the income from house property in 5 equal installments beginning with the year of acquisition or construction.

2.7 **Computation of capital gains**

2.7.1 Under Section 10(38) of the IT Act, long-term capital gain arising on transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund will be exempt in the hands of the Company, provided such transaction is chargeable to Securities Transaction Tax. However, such long term capital gains shall be taken into account in computing the book profit of the Company and the tax is payable thereon under Section 115JB of the IT Act.

2.7.2 Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gain (in cases not covered under Section 10(38) of the IT Act) arising on transfer of a long-term capital asset will be exempt from capital gain tax if the capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

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[3] In accordance with the provisions of Section 115O of the IT Act, any amount declared, distributed or paid by a domestic company way of dividend (whether interim or otherwise) on or after April 1, 2003 to its shareholder is exempt in the hands of its shareholders, if such dividends are subject to Dividend Distribution Tax under Section 115O of the IT Act.

The investment made in such bonds from capital gains arising from transfer of one or more original assets, during the FY in which the original asset or assets are transferred and in the subsequent FY cannot exceed Rs.5 million.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets is transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax in the year of such transfer or conversion.

2.8 **Investment allowance in new plant and machinery**

2.8.1 Under Section 32AC(1) of the IT Act, the Company is entitled to a deduction of 15% of actual cost of 'new assets' acquired and installed after March 31, 2013 but before April 1, 2015 subject to fulfillment of prescribed conditions. The aggregate amount of actual cost of new assets should exceed Rs. 1 billion.

As per Section 32AC(1A) of the IT Act, the Company is entitled to a deduction of 15% of actual cost of 'new assets' acquired and installed in a FY subject to fulfillment of prescribed conditions. The aggregate amount of actual cost of new assets should exceed Rs. 250 million. No deduction under Section 32AC(1A) of the IT Act, shall be available from FY 2017-18 onwards.

For FY 2014-15, no deduction shall be allowed under Section 32AC(1A) of the IT Act, if the Company is eligible to claim deduction under Section 32AC(1) of the IT Act.

Further in case the new asset acquired or and installed is transferred by the Company within 5 years from the date of its installation, the amount of deduction allowed under Section 32AC(1)/(1A) [except in connection with amalgamation/demerger] would be deemed to be income under the head 'profits and gains from business and profession' of the year in which such new asset is sold or otherwise transferred. This taxability is in addition to the taxability of gains arising on transfer of new asset.

The term 'new asset' means any new plant and machinery but does not include:

- Ships and aircraft;
- Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
- Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;
- Any office appliances including computers or computer software
- Any vehicle; or
- Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head 'Profits and gains from business and profession' of any one FY.

2.8.2 Vide the FB 2015, a new section 32AD of the IT Act is proposed to be inserted to provide for an additional investment allowance of 15% of the cost of new asset acquired and installed by an assessee, subject to fulfillment of prescribed conditions, if:

a) the assessee sets up an undertaking or enterprise for manufacture or production of any article or thing on or after April 1, 2015 in any notified backward areas in the State of Andhra Pradesh and the State of Telangana; and

b) the new assets are acquired and installed for the purposes of the said undertaking or enterprise during the period beginning from April 1, 2015 to March 31, 2020.

The meaning of "new assets" is same as that mentioned for the purposes of Section 32AC. [4]

[4] It is to be noted that the amendments proposed vide the FB 2015 are yet to be approved by the Parliament and thereafter, the President of India.

2.9 **Depreciation**

2.9.1 Under Section 32(1) of the IT Act, the Company can claim depreciation allowance at the prescribed rates in respect of the following assets:

- Tangible assets being building, machinery, plant or furniture;
- Intangible assets being know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature acquired on or after April 1, 1998.

2.9.2 As per provision of Section 32(1)(iia) of the IT Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant acquired and installed after March 31, 2005. However, no deduction is allowed in respect of:

a) Ships and aircraft;
b) Any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;
c) Any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;
d) Any office appliances or road transport vehicles; or
e) Any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether as depreciation or otherwise) in computing the income under the head 'Profits and gains from business and profession' of any one FY.

The FB 2015 proposes to allow higher additional depreciation at the rate of 35% (instead of 20%) in respect of the actual cost of new machinery or plant (other than a ship and aircraft) acquired and installed by a manufacturing undertaking or enterprise which is set up in the notified backward area of the State of Andhra Pradesh or the State of Telangana on or after April 1, 2015. This higher additional depreciation shall be available in respect of acquisition and installation of any new machinery or plant for the purposes of the said undertaking or enterprise during the period beginning on April 1, 2015 and ending before April 1, 2020.[5]

[5] It is to be noted that the amendments proposed vide the FB 2015 are yet to be approved by the Parliament and thereafter, the President of India.

Deductions and amortisation of certain expenditure

2.9.3 Under Section 35(1)(i) of the IT Act, the Company is eligible for deduction in respect of any revenue expenditure laid out on scientific research related to its business.

2.9.4 Under Section 35(1)(ii) of the IT Act, the Company can claim weighted deduction of one and three fourth times (175%) of any sum paid to an approved research association (which has as its object, the undertaking of scientific research) or to a university, college or other institution to be used for scientific research.

2.9.5 Under Section 35(1)(iia) of the IT Act, any sum paid to a company registered in India (which has as its main object the conduct of scientific research and development) and is approved by the prescribed authority can be claimed as deduction to the extent of one and one fourth times (125%) of the amount so paid.

2.9.6 Under section 35(1)(iii) of the IT Act, the Company is eligible for a deduction of one and one fourth times (125%) of the sum paid to a research association, university, college or other institution to be used for research in social science or statistical research. This weighted deduction is available to amounts paid to approved research association, university, college or institution.

2.9.7 Under Section 35(1)(iv) of the IT Act, the Company is eligible for deduction in respect of any capital expenditure (other than expenditure on the acquisition of any land) incurred on scientific research related to its business

2.9.8 The Company is eligible for weighted deduction of 200% under Section 35(2AA) of the IT Act in respect of payments to a National Laboratory, university or Indian Institute of Technology in respect of approved programs of scientific research. The weighted deduction is available provided the sum is paid with specific direction that it is used for approved programs of scientific research.

2.9.9 Under Section 35(2AB) of the IT Act, a weighted deduction of 200% of expenditure incurred on scientific research (excluding cost of land or building) in an approved in-house research and development facility is available to the Companies engaged in the business of manufacturing articles or things, not being items mentioned in the Eleventh Schedule.

2.9.10 Under Section 35CCD of the IT Act, the Company shall be allowed deduction of a sum equal to one and one-half times of expenditure (not being expenditure in the nature of cost of any land or building) incurred on any notified skill development project and in accordance with the prescribed guidelines.

2.9.11 Under Section 35D of the IT Act, a company is eligible for deduction in respect of specified preliminary expenditure incurred by it in connection with extension of its undertaking or in connection with setting up new unit for an amount equal to $1/5^{th}$ of such expenditure over 5 successive AY subject to conditions and limits specified in that Section.

Specified expenditure includes, inter-alia, expenditure in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus.

2.9.12 Under Section 35DD of the IT Act, for any expenditure incurred wholly and exclusively for the purposes of amalgamation or demerger, the Company is eligible for deduction of an amount equal to $1/5^{th}$ of such expenditure for each of the five successive years beginning with the year in which amalgamation or demerger takes place.

2.9.13 Under Section 35DDA of the IT Act, the Company is eligible for deduction in respect of payments made to its employees in connection with his voluntary retirement for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions specified in that Section.

2.10 **Carry forward of unabsorbed depreciation and business losses**

2.10.1 Under Section 32(2) of the IT Act, where full effect cannot be given to any depreciation allowance under Section 32(1) of the IT Act in any FY, owing to there being no profits or gains chargeable for that FY, or owing to the profits or gains chargeable being less than the depreciation, then, subject to the provisions of Section 72(2) and Section 73(3) of the IT Act, depreciation allowance or the part of depreciation allowance to which effect has not been given, as the case may be, shall be added to the amount of the depreciation allowance for the following FY and deemed to be part of that depreciation allowance, or if there is no such depreciation allowance for that previous year, be deemed to be the depreciation allowance for that FY, and so on for the succeeding FYs.

2.10.2 Under Section 72(1) of the IT Act, where for any FY, the net result of the computation under the head "Profits & Gains of Business or Profession" is a loss to the Company (not being a loss sustained in a speculation business), then to the extent to which such loss cannot be set off against income under any other head of income (other than salary) for the same year, it shall be eligible to be carried forward and available for set off only against income from business under head "Profits & Gains of Business or Profession" for subsequent FYs. As per Section 72(3) of the IT Act, the loss carried forward can be set off subject to a limit of 8 FYs immediately succeeding the FY for which the loss was first computed.

However, as per Section 80 of the IT Act, only a loss which has been determined in pursuance of a return filed in accordance with the provisions of Section 139(3) of the IT Act shall be carried forward and set off under Section 72(1) of the IT Act.

2.11 **MAT credit**

2.11.1 Under Section 115JAA(1A) of the IT Act, tax credit shall be allowed in respect of MAT paid under Section 115JB of the IT Act for any AY commencing on April 1, 2006 and any subsequent AY. As per Section 115JAA(2A) of the IT Act, credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the IT Act for that AY. The credit is available for set off only when tax becomes payable under the normal provisions of the IT Act. The tax credit can be utilized to extent of difference between the tax under the normal provisions of the IT Act and tax payable under MAT for the year in which credit is being utilised. Credit in respect of MAT paid shall be available for set-off up to 10 AYs immediately succeeding the AY for which the MAT credit initially arose.

Dividend Distribution Tax

2.11.2 Under Section 115O of the IT Act, for the purpose of payment of Dividend Distribution Tax on dividends, the dividends so declared, distributed or paid by domestic company shall be reduced by dividends received from its domestic subsidiary company in the same year provided the subsidiary has paid Dividend Distribution Tax on the same.

For the said purpose, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company.

Further, the dividends so declared, distributed or paid by the domestic company shall be reduced by dividends received from its foreign subsidiary company in the same year provided the domestic company has paid tax on such dividend received from its foreign subsidiary company under Section 115BBD of the IT Act.

The amount of dividend shall be increased to such amount as would, after reduction of the tax on such increased amount at the specified rate, be equal to the net distributed profits.

2.12 **Benefit under the Double Taxation Avoidance Agreements ("DTAA")**

2.12.1 Under the provisions of section 90 of the IT Act, the Company shall be eligible for claiming credit of taxes paid by it on incomes in the foreign countries with which the Government of India has entered into DTAA. The tax credit shall be available as per the provisions of relevant DTAA.

2.12.2 Section 91 of the IT Act provides for unilateral relief in respect of taxes paid on incomes in the foreign countries with which no DTAA exists. Under the provisions of the said section, the Company shall be entitled to deduction from the income tax of sum calculated on such doubly taxed income at the Indian rate of tax or rate of tax in the foreign country, whichever is lower.

II. Benefits available to the Members of the Company – Under the IT Act

General Tax Benefits

1. Benefits available to resident shareholders under the IT Act

1.1. Under Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O of the IT Act (i.e. dividends declared, distributed or paid by domestic companies on or after April 1, 2003) received on the shares of any domestic company is exempt from tax.

1.2. **Computation of capital gains**

1.2.1 Under Section 10(38) of the IT Act, long-term capital gain arising on transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund will be exempt from tax, provided such transaction is chargeable to Securities Transaction Tax.

1.2.2 Under second proviso to Section 48 of the IT Act, long-term capital gain arising on the transfer of capital asset other than bonds and debentures (not being capital indexed bonds) will be computed after applying the relevant indexation on the cost of acquisition and cost of improvement.

1.2.3 Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gain (in cases not covered under Section 10(38) of the IT Act) arising on transfer of a long-term capital asset will be exempt from capital gain tax if the capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds from capital gains arising from transfer of one or more original assets, during the FY in which the original asset or assets are transferred and in the subsequent FY cannot exceed Rs.5 million.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets is transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax in the year of such transfer or conversion.

1.2.4 Under Section 54F of the IT Act, where in the case of an individual or Hindu Undivided Family ("HUF") capital gain arise from transfer of long term assets [other than a residential house and those exempt under Section 10(38) of the IT Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of 1 year before or 2 year after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

1.2.5 As per the provisions of Section 111A of the IT Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary and higher education cess). Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

1.2.6 Under Section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains [not covered under Section 10(38) of the IT Act] arising on transfer of listed shares in the Company shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary and higher education cess) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

1.3. **Income from Other Sources**

1.3.1. As per the provisions of section 56(2) of the IT Act, where any property, other than immovable property (including shares) is received by an individual/ HUF-

a) without consideration and the aggregate fair market value of such property exceeds Rs. 50,000, or
b) for a consideration which is less than the aggregate fair market value of such property by at least Rs.50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources.

This provision will be applicable only if shares are held by the shareholders as a capital asset.

1.4. **Income from Business Profits**

1.3.1 Where the equity shares form part of stock-in-trade, any income realised from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the IT Act.

The nature of the equity shares (i.e. whether held as “stock-in-trade” or as “investment”) is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding.

1.3.2 As per Section 36(1)(xv) of the IT Act, an amount equal to the Securities Transaction Tax paid by the tax payer in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and gains of business or profession”.

2. Benefits available to Non-resident shareholders (Other than Mutual Funds and Foreign Institutional Investors (“FIIs”)) under the IT Act

2.1 Under Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O of the IT Act (i.e. dividends declared, distributed or paid by domestic companies on or after April 1, 2003) received on the shares of any domestic company is exempt from tax.

2.2 **Computation of capital gains**

2.2.1 Under Section 10(38) of the IT Act, long-term capital gain arising on transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund will be exempt from tax, provided such transaction is chargeable to Securities Transaction Tax.

2.2.2 In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gain arising from transfer of shares in or debentures of the Indian company acquired in convertible foreign exchange, protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gain / loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilised in the purchase of shares.

2.2.3 Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gain (in cases not covered under Section 10(38) of the IT Act) arising on transfer of a long-term capital asset will be exempt from capital gain tax if the capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds from capital gains arising from transfer of one or more original assets, during the FY in which the original asset or assets are transferred and in the subsequent FY cannot exceed Rs.5 million.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets is transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax in the year of such transfer or conversion.

2.2.4 Under Section 54F of the IT Act, where in the case of an individual or HUF, capital gain arise from transfer of long term assets [other than a residential house and those exempt under Section 10(38) of the IT Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of 1 year before or 2 year after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

2.2.5 As per the provisions of Section 111A of the IT Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary and higher education cess). Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

2.2.6 Under Section 112 of the IT Act and other relevant provisions of the IT Act, long term capital gains [not covered under Section 10(38) of the IT Act] arising on transfer of shares in the Company shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary and higher education cess) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge, educational cess and secondary and higher education cess) (without indexation), at the option of the Shareholders.

2.3 **Income from Business Profits**

2.3.1 Where the equity shares form part of stock-in-trade, any income realised from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the IT Act.

The nature of the equity shares (i.e. whether held as "stock-in-trade" or as "investment") is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding.

2.3.2 As per Section 36(1)(xv) of the IT Act, an amount equal to the Securities Transaction Tax paid by the tax payer in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

2.4 **Special benefit available to Non-resident Indian ("NRI") shareholders under the IT Act**

In addition to some of the general benefits available to non-resident shareholders, where equity shares of the Company have been subscribed by NRIs i.e. individuals being a citizen of India or person of Indian origin who is not a resident, in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XII-A of the IT Act – "Special provisions relating to certain incomes of non-residents", which *inter alia* entitles them to the following benefits:

2.4.1 In accordance with Section 115E of the IT Act, income from investment or income from long- term capital gains on transfer of assets other than specified asset (including shares of an Indian company) shall be taxable at the rate of 20% in the hands of a NRI. Income by way of long term capital gains in respect of a specified asset [as defined in Section 115C(f) of the IT Act], shall be chargeable to income- tax at 10%.

2.4.2 Under provisions of Section 115F of the IT Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the whole or any part of the net consideration is reinvested in any specified assets within 6 months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets are transferred or converted into money within 3 years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

2.4.3 As per the provisions of Section 115G of the IT Act, NRIs are not required to file a return of income under Section 139(1) of the IT Act, if the income chargeable under the IT Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

2.4.4 As per the provision of Section 115H of the IT Act, where a person who is NRI in any FY, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified under sub clause (ii), (iii), (iv) or (v) of Section 115C(f) for that AY and for every subsequent AY until there is transfer or conversion of such asset. For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India.

2.4.5 In accordance with Section 115-I of the IT Act, where a NRI opts not to be governed by the provisions of Chapter XII-A of the IT Act for any AY, his total income for that AY (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the IT Act.

2.5 As per Section 90(2) of the IT Act, provisions of the DTAA between India and the country of residence of the Non-resident / NRI would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-resident / NRI subject to furnishing of Tax Residency Certificate containing the particulars prescribed in the IT Act, that is obtained from the Government of that country or any specified territory.

3. Benefits available to Mutual Funds under the IT Act

3.1 As per Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income-tax subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the IT Act.

4. Benefits available to FIIs under the IT Act

4.1 Under Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115O of the IT Act (i.e. dividends declared, distributed or paid by domestic companies on or after April 1, 2003) received on the shares of any domestic company is exempt from tax.

4.2 **Computation of capital gains**

4.2.1 Under Section 10(38) of the IT Act, long-term capital gain arising on transfer of long-term capital asset, being an equity share in a company or a unit of an equity oriented fund will be exempt from tax, provided such transaction is chargeable to Securities Transaction Tax.

4.2.2 In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gain arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange, protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gain / loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilised in the purchase of shares.

4.2.3 Under Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gain (in cases not covered under Section 10(38) of the IT Act) arising on transfer of a long-term capital asset will be exempt from capital gain tax if the capital gains are invested within 6 months after the date of such transfer in long term specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;

b) Rural Electrification Corporation Limited, the Company formed and registered under the Companies Act, 1956.

The investment made in such bonds from capital gains arising from transfer of one or more original assets, during the FY in which the original asset or assets are transferred and in the subsequent FY cannot exceed Rs.5 million.

If only a part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified assets is transferred or converted into money within 3 years from the date of acquisition, the amount so exempted shall be chargeable to tax in the year of such transfer or conversion.

4.2.4 Under Section 54F of the IT Act, where in the case of an individual or HUF, capital gain arise from transfer of long term assets [other than a residential house and those exempt under Section 10(38) of the IT Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of a residential house property within a period of 1 year before or 2 year after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

4.2.5 As per the provisions of Section 111A of the IT Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 15% (plus applicable surcharge, education cess and secondary and higher education cess). Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

4.2.6 As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115O of the IT Act) of FIIs arising from securities (other than the units referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	**Rate of tax (%)**
Income in respect of securities	20
Long-term capital gains (other than long term capital gain referred to in Section 10(38) of the IT Act	10

Short-term capital gains (other than short-term capital gain referred to in Section 111A of the IT Act)	30

The above tax rates would be increased by the applicable surcharge, education cess and secondary and higher education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

4.3 **Income from Business Profits**

4.3.1 Where the equity shares form part of stock-in-trade, any income realised from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the IT Act.

The nature of the equity shares (i.e. whether held as "stock-in-trade" or as "investment") is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding.

4.3.2 As per Section 36(1)(xv) of the IT Act, an amount equal to the Securities Transaction Tax paid by the tax payer in respect of the taxable securities transactions entered into in the course of his business during the FY will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

4.4 As per Section 90(2) of the IT Act, provisions of the DTAA between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII subject to furnishing of Tax Residency Certificate containing the particulars prescribed in the IT Act, that is obtained from the Government of that country or any specified territory.

5. **General Anti-Avoidance Rules ("GAAR")**

5.1 The GAAR had been introduced to deal with aggressive tax planning involving use of sophisticated structures. Under the current provisions, Chapter X-A of the IT Act dealing with the provisions of GAAR would be effective from April 1, 2015 (i.e. during FY 2015-16).

Vide the FB 2015, the implementation date of GAAR is deferred to April 1, 2017 (i.e. GAAR will now be effective from FY 2017-18).[6]

III. Benefits available under the WT Act

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds Rs 3 million as on the valuation date (i.e. March 31 of the relevant FY). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds Rs 3 million.

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of WT Act; hence, wealth tax is not leviable on shares held in a company.

Vide the FB 2015, the WT Act is proposed to be abolished with effect from FY 2015-16 (AY 2016-17).[7]

[6] It is to be noted that the amendments proposed vide the FB 2015 are yet to be approved by the Parliament and thereafter, the President of India.

[7] It is to be noted that the amendments proposed vide the FB 2015 are yet to be approved by the Parliament and thereafter, the President of India.

Notes:

1) The above note of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

2) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country/specified territory (outside India) in which the non-resident has fiscal domicile and in view of the individual nature of tax consequence, each investor is advised to consult his/ her own tax adviser with respect to specific tax consequences of his/ her participation in the scheme.

3) The tax rates (including rates for tax deduction at source) mentioned in this Statement are applicable for FY 2014-15 (AY 2015-16) and are exclusive of surcharge, education cess and higher education cess.

   Surcharge @ 10% of income tax is applicable in case of individuals where total income under the IT Act exceeds Rs 10 million.

   Surcharge @ 5% is applicable in case of domestic companies where total income under the IT Act exceeds Rs 10 million and is up to Rs. 100 million. If the total income of the resident companies exceeds Rs. 100 million, surcharge is leviable @ 10%.

   In case of foreign companies, surcharge @ 2% is applicable in case of where total income under the IT Act exceeds Rs 10 million, and is upto Rs. 100 million. If the total income exceeds Rs. 100 million, surcharge is leviable @ 5%.

   Vide the FB 2015, the above mentioned surcharge of 5% and 10% applicable in case of the domestic companies is proposed to be increased to 7% and 12% respectively. Further, for persons other than companies, surcharge is applicable at the rate of 12% where the total income exceeds Rs 10 million. [8]

4) We have not considered the provisions of Direct Taxes Code ("DTC") 2013 for the purpose of this Statement. The Hon'ble Finance Minister of India announced on February 28, 2015 that there is no great merit in going ahead with the DTC, as it exists today and thus, the DTC provisions may not be relevant for the purposes of this Statement.

5) We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct.

[8] It is to be noted that the amendments proposed vide the FB 2015 are yet to be approved by the Parliament and thereafter, the President of India.

LEGAL PROCEEDINGS

Our Company, its Subsidiaries are subject to various legal proceedings from time to time, mostly arising in the ordinary course of their business. Except as described below, we are not involved in any legal proceedings and our Company is not aware of any proceedings that are threatened, which if determined adversely, may have, or have had, a material adverse effect on our business, properties, financial condition or results or operations of our Company. We believe that none of the contingencies, either individually or in the aggregate, would have a material adverse effect on our financial condition, results of operations or cash flows. Our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures and interest thereon, and in respect of deposits and interest thereon, defaults in repayment of loans from any bank or financial institution.

A summary of legal proceedings where the amount involved exceeds Rs. 3.39 million and certain other litigation we consider material is set forth below.

Tax Litigation

(a) Our Company has received a notice of default assessment of tax and interest dated August 6, 2013 under Delhi Value Added Tax Act, 2004 and Central Sales Tax Act ("VAT Act") for Assessment year 2010-11 ("Notice") alleging that our Company has not furnished returns or furnished incomplete returns. Aggrieved, our Company filed an objection dated September 23, 2013 before the Objection Hearing Authority, Department of Trade and Taxes under section 74 of the VAT Act against Notice praying for setting aside the impugned Notice and quashing the demand of tax, interest and the penalty so created. Subsequently, Special Commissioner II vide order dated March 4, 2014 directed our Company to deposit Rs. 0.50 million to entertain objection raised for disputed amount of Rs 1.79 million and Rs. 7.80 million for value added tax and central sales tax respectively. During the financial year 2011-12, our Company deposited Rs. 1.50 million. The matter is currently pending.

(b) Our Company has received a notice of order under section 58A of Delhi Value Added Tax Act, 2004("VAT Act") for conducting special audit for Assessment year 2011-12. Subsequently, audit was conducted and audit report was submitted. Thereafter, our Company received notice of default assessment of tax and interest dated May 22, 2013 under section 32 and 33 of the VAT Act ("Notice") demanding Rs. 9.33 million on account of disallowance of export sales and variation in stock. Aggrieved, our Company filed an objection dated June 20, 2013 before the Objection Hearing Authority, Department of Trade and Taxes under section 74 of the Act against Notice praying for setting aside the impugned order and quashing the demand of tax, interest and penalty. The matter is currently pending.

(c) Commissioner of Customs, Central Excise and Service Tax, Hyderabad-III ("Authority") issued a show cause notice bearing no. 37/2010-Hyd-III/Adjn dated April 01, 2010 ("Show Cause Notice") against our Company demanding *inter-alia,* to show cause as to why, the cenvat credit availed on the products of iron and steel falling under chapter 72 of the Central Excise Tariff Act, 1985 under the category of inputs used in the installation of the capital goods in the unit should not be disallowed under Rule 3 of the Cenvat Credit Rules, 2004 ("Rules"), cenvat credit availed wrongly on the items from March 2009 to July 2009 of Rs. 14.11 million including education cess should not be recovered and why interest at applicable rates not be charged and penalty not be imposed. Our Company has filed its reply dated May 28, 2010 denying all the contentions of the Show Cause Notice. Subsequently, the Authority vide order dated January 13, 2011 ("Order") confirmed the demand of Rs. 14.11 million and interest along with penalty of Rs.2.5 million. Aggrieved, our Company filed a stay petition and appeal dated December 07, 2011 before Customs, Excise and Service Tax Appellate Tribunal. On January 5, 2012 our Company paid Rs. 4 million with respect to the matter. The matter is currently pending.

(d) Our Company filed a writ petition bearing WP number 6083 of 2004 in February 2004 ("Petition") before High Court of Andhra Pradesh, Hyderabad ("High Court") against the State of Andhra Pradesh and the Chief Electrical Inspector to Government of Andhra Pradesh. Our Company received a notice bearing number L. R No. CEIG/AO(Duty)/D. No.87/2004 dated January 8, 2004 ("Notice") directing to furnish details of generating plant and payment of electricity duty at the rate of 0.25 ps per unit in respect of generation of energy under Andhra Pradesh Electricity Duty (Amendment) Act, 2003 ("Act"). The liability of our Company if the Notice is complied comes to Rs 4.22 million. Aggrieved, our Company filed Petition praying to issue a writ of mandamus, declaring Act unconstitutional and ultravires to the powers of Andhra Pradesh state legislature. Further, pending disposal of the Petition, our Company prayed to stay all further proceedings pursuant to the Notice. On April 1, 2004, the High Court granted the stay and directed our Company to continue to submit the details of electricity consumed. The matter is currently pending.

(e) Additional Commissioner of Customs and Central excise ("Authority') issued a show cause notice O.R. No. 13/ 2008 – Adjn (ADC) dated February 8, 2008 ("Show Cause Notice") against our Company, demanding our Company to *inter alia* show cause as to why, an amount of Rs 4.5 million towards duty, education cess and higher secondary education cess should not be demanded for sale of varieties of scrap cleared during January 2003 to July 2007, amount of duty of Rs. 1.07 million paid towards scrap cleared during April 2004 to November 2005 should not be confirmed, interest and penalty under relevant provisions of the Central Excise Act, 1944 and rules made thereunder should not be imposed. Our Company filed reply dated March 29, 2008 denying all the contentions taken in the Show Cause Notice and praying for dropping of further proceedings in the Show Cause Notice. Subsequently, the Authority vide order dated March 31, 2009 ("Order") confirmed the demand of Rs. 4.5 million towards duty, education cess and higher secondary education cess, appropriation of amount of duty of Rs. 1.07 million to towards demand under relevant provisions of the Central Excise Act, 1944 and rules made. The matter is currently pending.

Civil litigations

(a) Our Company filed a consumer complaint bearing no. 498 of 2012 ("Complaint") before the District Consumer Disputes Redressal Forum, Hyderabad ('District Forum') against State Bank of India, Commercial Branch, Ashok Bhoopal Chambers, S. P. Road, Secunderabad ("Opposite Party") praying for a compensation of Rs. 0.42 million inclusive of interest, further interest upto realization, Rs 0.10 million as damages for the negligence of officials of the Opposite Party, alleging that the Opposite Party permitted the unauthorised withdrawal of the amount without the proper verification of the specimen signatures against the forged signatures on the cheques. Subsequently, Opposite Party filed a counter and reply vide dated December 26, 2012 to the Complaint *interalia*, denying all the allegations by stating that the cheques were cleared by State Bank of India, Vijaywada branch and not by the Opposite Party. The matter is currently pending.

(b) Our Company filed a consumer complaint bearing number CC No. 128 of 2012 ("Complaint") before the Andhra Pradesh State Consumer Dispute Redressal Commission against ICICI Bank Limited ("Opposite Party") and prayed for a compensation of Rs. 3.1 million inclusive of interest, further interest upto realization, along with damages of Rs. 0.05 million alleging that the Opposite Party permitted the unauthorised withdrawal of the amount without the proper verification of the specimen signatures against the forged signatures on the cheques. Aggrieved, Opposite Party filed a reply dated February 1, 2013 denying all allegations made in the Complaint and stating that Complainant does not fall under the definition of a consumer. The matter is currently pending.

(c) Our Company received a show cause notice dated September 4, 2014 ("SCN") from the Assistant Controller Inspector of Legal Metrology for stocking and displaying of some of our products for sale that did not bear the maximum retail price ("MRP") as required under the Legal Metrology Act, 2009 ('the Act') and the Legal Metrology (Packaged Commodities) Rules, 2011 ("Rules"). Subsequently, a similar notice dated September 4, 2014 bearing number 191/2014 was issued by Assistant Controller / Inspector, Office of the Inspector of Legal Metrology alleging that our Company has exhibited for sale certain packages of some of our products without the mandatory declaration of the MRP, the month and year of manufacture/packing of the products, as required in the provisions of the Act and Rules. Accordingly, on September 4, 2014 the packaged items were seized by the legal metrology inspector. On November 12, 2014 our Company filed a writ petition bearing no. (Civil) No. 30168/2014 before the High Court of Kerala, *inter alia,* stating that the goods manufactured by our Company are distinct and individual goods and cannot be brought within the definition of a 'commodity in a packaged form' under the Act. Additionally, our Company also sought interim relief in the form of a stay on the proceedings with respect to the show cause notices and the seizure order. The Kerala High Court vide order dated January 12, 2015, gave the interim relief for a period of 2 months. The matter is currently pending.

(d) On November 17, 2009 our Company and M/s Waterberry Marketing ('Waterberry") entered into a dealership agreement wherein Mr. Amit Singla, proprietor of Waterberry, was appointed as an authorised dealer to sell products of our Company. Waterberry filed a civil suit dated July 1, 2013 (“Civil suit”) before the Court of Civil Judge, (Senior Division), Chandigarh claiming Rs 8.1 million and interest for non-payment of overriding commission of 5% for any direct billing to any dealer and for not passing the insurance claims received from the insurance company to the Waterberry. The matter is currently pending.

(e) Our Company filed a complaint before the National Consumer Disputes Redressal Commission, New Delhi (“NCDRC”) bearing number Consumer Case 179/2012 dated June 8, 2012 (“Complaint”) against Standard Chartered Bank (“SCB”) for recovery of Rs 12.82 million including interest. Our Company maintained a current account with the SCB (“Account”). During reconciliation of bank transaction, our Company noticed illegal, fraudulent and unauthorised withdrawal from the Account. On April 30, 2011, our Company filed a written complaint with the Deputy Commissioner of Police, Hyderabad against SCB. Further, on May 3, 2011 our Company filed a first information report bearing no. 111 of 2011 (“FIR”) with the police station at Ramgopalpet, Hyderabad under sections 468, 471, 380 read with section 34 of Indian Penal Code, 1908 against Mr. K Chenna Reddy and others (“Accused”). Our Company served a legal notice dated October 29, 2011 to SCB, *inter alia,* alleging that carelessness and negligence for unauthorised withdrawal of Rs 9.89 million and prayed for refund of the same. On failure to receive reply from SCB, our Company filed the Complaint. On April 9, 2013, our Company and SCB arrived at a settlement (“Settlement Agreement”) wherein SCB paid Rs 4.77 million and an understanding that our Company will hand over 50% of the amount recovered from Accused to SCB towards the withdrawl from the account with the SCB upon final possession of same by our Company by appropriate court. On April 11, 2013, our Company withdrew the Complaint. The criminal matter *vide* FIR is pending.

(f) Our Company has filed a plaint O/S No.1162 of 2014 dated December 4, 2014 before the City Civil Court, Hyderabad against M/s Cheminnova Pharmaceuticals and Mr. Vasudeva Rao (“Defendants”) under section 26 of Civil Procedure Code, 1908 inter alia praying the recovery of dues including interest of Rs. 6.36 million along with interest at the rate of 24% for the cost of suit from the Defendants for the supply of glass bottles of various sizes. The matter is currently pending.

(g) Our Company has filed a petition CP 226 of 2011 in November 2011 before the High Court of Judicature, Madras against Mount Mettur Pharmaceuticals Limited (“Respondent”) under section 433(e) and (f) read with section 434(i) (a) and (c) and section 439 of the Companies Act, 1956 interalia praying for the winding-up of the Respondent, appointment of official liquidator and the recovery of the court fees (“Petition”). The Respondent owe Rs. 6 million on account of goods sold by our Company to the Respondents. The matter is currently pending.

(h) On April 11, 2013, our Company filed a first information report number 109 (“FIR”) with the Line Par Police Station, Bahadurgarh (“Police station”) against Mr Manish Vij (“Defendant No. 1”), Mrs Shivani Vij (“Defendant No. 2”) and others (together “Defendants”). Mr Manish Vij was an ex-employee of our Company and was solely responsible / accountable for receipt of outstanding payments from international customers of our Company. On January 26, 2012 Mr Manish Vij without any prior intimation / warning tendered his resignation with immediate effect. Later it was revealed that the payments made by international customers were received by Mr Manish Vij in the name of RHSHYM Ceramic & Hardware Limited, in which the Defendants were directors, M/s RYS Global Trading with registered office as residential address of Mr Manish Vij, RIRJ Impex Private Limited, in which Mr Manish Vij, Mrs Shivani Vij were directors and Waaman Products Private Limited. Our Company, *inter alia*, alleged that the Defendants had entered into a criminal conspiracy and illegally, dishonestly and fraudulently received payments from international customers of our Company in fictitious names. Our Company filed civil suit bearing CS (OS) No 486 of 2014 dated February 8, 2014 (“Suit”) against the Defendants before the High Court of Delhi (“High Court”) praying, *inter alia,* for recovery of Rs 37.91 million along with future and pendent-lite interest at the rate of 24% pa, award damages and costs. Further, Mr Manish Vij illegally started using our Company’s trademarks, brochures, etc. against which our Company filed a civil suit bearing CS (OS) no. 646 of 2013 before the High Court (“Suit 2”) seeking a decree for permanent injunction from infringing the trademarks of our Company, passing off and damages. On April 10, 2013 the High Court passed an order of ad-interim ex-parte injunction against the Defendants with respect to Suit 2. On February 8, 2014 our Company filed interim applications numbers 3253 of 2014 and 3254 of 2014 with the High Court seeking restraining the Defendants from selling, transferring, alienating or creating third party interest on properties and direct attachment of properties of the Defendants. On February 19, 2014 the High Court passed an order restraining the Defendant no. 1 from leaving the country without the permission of the High Court till the next date of hearing. On March 13, 2014 the High Court passed an order recalling the order passed on February 19, 2014 and put a restraint on the Defendants no 1 and 2 creating any third party interest in respect of properties owned by the Defendants no 1 and 2. The matter is currently pending.

(i) Our company filed a plaint under a suit for recovery bearing no. 1401 of 2010 dated July 1, 2010 ('Civil Suit'), before the Delhi High Court ('Delhi HC') against Intrex Trade Exchange Private Limited ('Defendant'). Our Company had entered into an agreement with the defendant based on a barter exchange system, wherein HSIL was to provide sanitaryware to the defendant in return for its advertising services. One of the terms was that if the Defendants failed to provide these services, then the outstanding amount was to be paid by the Defendant to our Company. However, if the services were provided by the defendant on time, then the Defendant would be entitled to 4% commission on the sales. Accordingly, our Company supplied goods worth Rs. 6.73 million to the Defendant, out of which the defendant was able to repay only Rs. 0.35 million through sales and providing advertising services. Additionally, while most of the goods had been transferred against invoices, certain supplies made were against C-Forms for availing concessional rates of sales tax under the Central Sales Tax Act. However, the Defendant did not furnish these C-Forms, as a result of which our Company alleged that the Defendants were liable to pay Rs. 0.4 million to our Company. Thus, our Company prayed for the recovery of a total amount of Rs. 8.68 million, including interest@18% p.a. The Defendant's refuted our Company's claim in its written statement and filed an interim application no. 16415 of 2010 ("Interim Application"), dated November 30, 2010, under Order VII, Rule 11 of the code of civil procedure, read with Section 151 of the code of civil procedure, seeking the dismissal of the Civil Suit. Our Company filed a reply dated April 11, 2011 to the Interim Application, seeking the dismissal of this application. Our Company filed an interim application no. 3361 of 2011 ("Interim Application 2") dated February 23, 2011, seeking the impleadment of 'Interactive Tradex India Private Limited' as a party to the suit, pursuant to the contentions in the Defendant's written statement in reply to the plaint. On February 20, 2014 the Delhi HC allowed the Interim Application 2. The matter is currently pending.

(j) Our Company filed a writ application bearing WA number 2160 of 2004 dated December 21, 2004 ("Writ Petition") before High Court of Andhra Pradesh, Hyderabad ("High Court") against the Transmission Corporation of Andhra Pradesh Limited, Central Power Distribution company of Andhra Pradesh Limited and Andhra Pradesh Gas Power Corporation Limited ("APGCL"). Our Company is a shareholder of APGCL, which is formed as a joint venture by Andhra Pradesh State Electricity Board ("APSEB") and some companies both in public and private sectors ("Participants") in the year 1988. On October 17, 1988 our Company entered into memorandum of understanding ("MOU") with APGCL, APSEB and other Participants. Pursuant to the MOU the power generated by APGCL shall be allocated among APSEB and Participants in the proportion to their share value. On February 1, 1999 the Andhra Pradesh Electricity Reform Act, 1998 ("Reform Act") came into operation. Under section 14 of the Reform Act, no person shall be involved in the activity of supply or transmission unless he obtains a license under section 15 of or exemption under section 16 of the Reform Act. Aggrieved, our Company filed Petition praying not to disconnect the power supply in connection with the consumption of surplus power by our Company under the MOU. Further, pending disposal of the Writ Petition, our Company sought a stay application for not disconnecting the power supply. On December 28, 2004, the High Court granted the stay. The matter is currently pending.

(k) Rain Calcining Limited ("Petitioner") filed a writ petition W. P number 12630 of 2006 dated June 22, 2006 ("Writ Petition") before High Court of Andhra Pradesh, Hyderabad ("High Court") against the Transmission Corporation of Andhra Pradesh Limited, Central Power Distribution Company of Andhra Pradesh (Respondent No. 2), Andhra Pradesh Electricity Regulatory Commission ("Commission"), our Company and others ("Respondents"). The Petitioner has set up a 100% export oriented unit for manufacture of calcined petroleum coke. The Government of Andhra Pradesh exempted Petitioner from the applicability of section 35 to 37 of the Electricity Supply Act, 1948 and Central Government specifically exempted Petitioner and their customers from payment of cross subsidy surcharge. However, the Respondent No. 2 demanded payment of cross subsidy surcharges from the Petitioner and if the same is not the threatened to stop wheeling of power to consumers of the Petitioner. Aggrieved, Petitioner filed a writ petition praying, *inter alia*, to issue a writ of mandamus. Further, pending disposal of the Petition, Petitioner prayed to not to collect cross subsidy charge from the customer of the Petitioner. On February 19, 2005, the High Court passed an interim order directing the Respondents to collect wheeling charges in terms of the modified wheeling and power purchase agreement entered into with the Petitioner. The matter is currently pending.

(l) Capricorn Logistics Private Limited ("Plaintiff") filed a short cause suit bearing number 846 of 2014 on dated March 29, 2014 ("Suit") before the Bombay Civil Court, Dindoshi against our Company. The Plaintiff averred that it forwarded cargo and rendered custom clearance services to our Company and raised various invoices for the services rendered by Plaintiff. The Plaintiff filed the Suit praying for recovery of Rs 6.40 million along with interest, Rs 0.02 million towards tax deducted at source along with interest. On January 9, 2015 our Company filed written statement, *inter alia*, praying the dismissal of the Suit. The matter is pending.

Litigations involving directors

(a) Punjab National Bank ("PNB") filed transfer application bearing number 632 of 2000 arising out of O.S No. 491 of 1979 before the Debts Recovery Tribunal, Allahabad ("DRT") against Mr. Ashok Jaipuria, our Director and Others (legal heirs of the deceased Mr. Sita Ram Jaipuria), then director of The Swadeshi Cotton Mills Company Limited) ("Defendants") for recovery of Rs 4.09 million together with interest and penal interest ("Loan") towards a term loan of Rs. 4.5 million availed by The Swadeshi Cotton Mills Company Limited from Hindustan Commercial Bank. Later, Hindustan Commercial Bank merged with PNB and substitution application was allowed. Initially, the loan was guaranteed among others by Late Sita Ram Jaipuria. The guarantee was not renewed when the loan documents were renewed in 1976. However, the DRT, vide order dated April 17, 2014, passed an order ("Order") to recover the Loan from all the Defendants, the liability of legal heirs of Late Sita Ram Jaipuria was held only to the extent to which they inherited the estate of deceased Late Sita Ram Jaipuria. Subsequently, the legal heirs of Late Sita Ram Jaipuria filed an appeal bearing No R-86 of 2014 before the Debt Recovery Appellate Tribunal praying for quashing of the Order among others on the grounds that they did not benefit from the estate of the deceased as the liabilities far exceed the assets inherited. The matter is pending. Mr. Ashok Jaipuria was never a director of The Swadeshi Cotton Mills Company Limited nor have given any personnel guarantees. This litigation pertains to his status as legal heir of late Sita Ram Jaipuria.

(b) SEBI issued a Show Cause Notice bearing no. EAD-2/RG/23810/2013 dated September 19, 2013 ("SCN") against Golden Tobacco Limited ("GTL"), Mr. Vijay Kumar Bhandari, our director and others ("Directors") for alleged violations under regulation 23 (1) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 ("SAST Regulations"). On November 12, 2009 Mr Pramod Jain voluntarily came out with a public announcement in terms of the SAST Regulations. On December 21, 2009 GTL held a board meeting which included the resolution to call for extra ordinary general meeting ("EGM") to comply with the SAST Regulations with respect to approval of shareholders for memorandum of understanding ("MOU") to be entered with Sheth Developers and Suraksha Realty. However, GTL signed the MOU with Sheth Developers and Suraksha Realty on December 26, 2009 itself, before calling for the EGM. Subsequently, on January 18, 2010 the approval of the shareholders was obtained. The adjudicating officer, vide order dated February 14, 2014 ("Order"), levied a penalty /of Rs 10 million. The Directors filed an appeal before the Securities Appellate Tribunal bearing number 78 of 2014 praying, *inter alia*, to set aside the Order and in alternate to declare that the penalty imposed is arbitrary, unjustified and disproportionately high in relation to the alleged offence and to reduce and/or pardon from the penalty imposed by the Order. The matter is currently pending.

(c) Mr. Nand Gopal Khaitan is an independent director on the board of DPSC Limited ("DPSC") and not holding any shares in the capital of DPSC. On June 4, 2013 SEBI passed an interim order ("Order") in respect of rules 19(1) (b) and 19A of the Securities Contracts (Regulation) Rules, 1957 against companies non-compliant with the minimum public shareholding requirements including DPSC. The Order, *inter alia*, prohibits the promoters/promoter group and directors from buying, selling or otherwise dealing in securities of their and respective companies, except for the purpose of complying with minimum public shareholding requirement till such time the companies comply with the minimum public shareholding requirement and also restrain the directors of non-complaint companies from holding any new position as a director in any listed company, till such time the companies complies with minimum public shareholding requirement. The matter is subjudice and currently pending before the Calcutta High Court.

(d) Mr. Ashok Jaipuria, our Director has filed an appeal number 3012/Del-2011 dated June 8, 2011 before the Income Tax Appellate Tribunal, New Delhi ("ITAT") against the order dated May 19, 2011 ("Order 2") of the Commissioner of Income Tax (Appeal)-III ("CIT (A)"), New Delhi. The appeal is currently pending. Mr. Ashok Jaipuria filed return on July 23, 2002 declaring income of Rs 6.76 million for the assessment year 2002-03. The return was processed on June 28, 2003 under section 143(1) of the Income Tax Act, 1961("Act") at the returned income. The assessment was reopened under section 148 of the Act wherein it was alleged that that he was named as a beneficiary of a trust in Liechtenstien and $95,000 was deposited during the period relevant to the assessment year 2002-03 which is not appearing in his return. The allegations were totally denied by Mr. Ashok Jaipuria. However, the Deputy Commissioner of Income Tax ("Assessing Officer") vide order dated December 21, 2009 ("Order 1") passed under section 147 read with 143 (3) of Act increasing the returned income to ₹ 11.40 million, charging interest and initiating penalty proceeding under section 271 (1) (c). Further, a demand notice dated December 21, 2009 was issued demanding payment of ₹ 2.59 million. Mr. Ashok Jaipuria paid this under protest and filed an appeal before the ("CIT (A)") against Order 1. On May 19, 2011, the CIT (A) *vide* Order 2 dismissed the appeal. Subsequently, Mr. Ashok Jaipuria filed the Appeal before the ITAT against Order 2 as stated above.

(e) Mr. Sandip Somany ("Petitioner") filed a petition bearing number CRM-M 8431 of 2014 dated February 27, 2014 ("Petition") before the High Court of Punjab and Haryana, Chandigarh against the State of Haryana ("Respondent 1") and UFIPL Infrastructure Limited ("Respondent 2") under section 482 of the Code of Criminal Procedure, 1973 for quashing/setting aside the proceedings arising out of F.I.R No. 263 dated March 14, 2009 ("FIR"), registered at police station, Civil Lines, Karnal, Haryana insofar as it relates to our Director under section 406, 420, 465, 467, 471, 120-B of Indian Penal Code ("IPC") and pending before the Judicial Magistrate, Karnal District Court, Haryana. The Petitioner and Mr. Rajendra Kumar Somany jointly owned a portion of 43 kanal and 13 marla land situated at Karnal, Haryana ("Land") and authorized Mr Ram Niwas Jindal ("POA Holder") to deal with the Land through a general power of attorney ("POA"). On July 14, 2008 the POA Holder entered into an agreement to sell for selling the Land with Mr Vinod Saini ("Buyer") at an aggregate price of Rs. 12.5 million. The Buyer paid earnest money of Rs. 5 million by way of cheque issued by the Respondent 2 and did not pay the balance consideration. On February 2, 2009, the POA Holder sent a legal notice to the Buyer for non-payment of balance consideration, forfeiture of earnest money and informed that the Buyer was left with no right, title or interest on the Land. On June 26, 2011 *vide* a registered sale deed the POA Holder sold the land to Golden Moments Private Limited. However, Respondent 2 filed complaints dated July 15, 2011 and July 25, 2011 against the Petitioner, challenging the genuineness of the POA. Respondent 2 filed a civil suit against the Petitioner, seeking the specific performance of an alleged oral agreement dated July 1, 2008. On November 17, 2013 the Petitioner entered into a memorandum of understanding with Respondent 2, paid Rs. 100 million in full and final settlement of all disputes / claims of Respondent 2 and the Respondent 2 withdrew the suit for specific performance. Additionally, by an order of the Supreme Court of India dated January 10, 2014, the Petitioner allowed anticipatory bail in relation to the FIR in consideration of the amicable settlement of disputes between the parties. Upon which, the Petitioner filed the Petition. The matter is presently pending

(f) Mr. Rajendra Kumar Somany ("Petitioner") filed a petition bearing number CRM-M 8432 of 2014 dated February 27, 2014 ("Petition") before the High Court of Punjab and Haryana, Chandigarh against the State of Haryana ("Respondent 1") and UFIPL Infrastructure Limited ("Respondent 2") under section 482 of the Code of Criminal Procedure, 1973 for quashing/setting aside the proceedings arising out of F.I.R No. 263 dated March 14, 2009 ("FIR"), registered at police station, Civil Lines, Karnal, Haryana insofar as it relates to our Director under section 406, 420, 465, 467, 471, 120-B of Indian Penal Code ("IPC") and pending before the Judicial Magistrate, Karnal District Court, Haryana. The Petitioner and Mr. Sandip Somany jointly owned a portion of 43 kanal and 13 marla land situated at Karnal, Haryana ("Land") and authorized Mr Ram Niwas Jindal ("POA Holder") to deal with the Land through a general power of attorney ("POA"). On July 14, 2008 the POA Holder entered into an agreement to sell for selling the Land with Mr Vinod Saini ("Buyer") at an aggregate price of Rs.12.5 million. The Buyer paid earnest money of Rs. 5 million by way of cheque issued by the Respondent 2 and did not pay the balance consideration. On February 2, 2009, the POA Holder sent a legal notice to the Buyer for non-payment of balance consideration, forfeiture of earnest money and informed that the Buyer was left with no right, title or interest on the Land. On June 26, 2011 *vide* a registered sale deed the POA Holder sold the land to Golden Moments Private Limited. However, Respondent 2 filed complaints dated July 15, 2011 and July 25, 2011 against the Petitioner, challenging the genuineness of the POA. Respondent 2 filed a civil suit against the Petitioner, seeking the specific performance of an alleged oral agreement dated July 1, 2008. On November 17, 2013 the Petitioner entered into a memorandum of understanding with Respondent 2, paid Rs. 100 million in full and final settlement of all disputes / claims of Respondent 2 and the Respondent 2 withdrew the suit for specific performance. Additionally, by an order of the Supreme Court of India dated January 10, 2014, the Petitioner allowed anticipatory bail in relation to the FIR in consideration of the amicable settlement of disputes between the parties. Upon which, the Petitioner filed the Petition. The matter is presently pending.

Litigation involving subsidiaries

1. Evoke Building Concepts Private Limited **("Evoke Building")** filed a suit bearing no. CS(OS) 2532/2008 dated December 3, 2008 ("Suit") against Hindware Home Retail Private Ltd. **("Subsidiary")** before the Delhi High Court ("Court") for perpetual injunction restraining passing off rendition of accounts and damages. The service mark EVOKE was put to commercial use by the Evoke Building since August, 2007. The Suit alleged that the Subsidiary adopted an identical or deceptively similar mark EVOK and commercially used the mark subsequent to use by the Evoke Building. Evoke Building alleged that the use of service mark EVOK by the Subsidiary constitutes an act of passing off and prayed for a perpetual injunction to restrain the Subsidiary from using the EVOK mark, a decree for rendition of accounts and damages valued at Rs. 2 million and a decree of delivery of incriminating material bearing the mark EVOK and destruction thereof. Subsequently, the Subsidiary has also filed a counter claim bearing no. 35/2009 dated March 20, 2009 against the Suit inter alia alleging that Evoke Building has wrongfully used the mark EVOKE and prayed inter alia for perpetual injunction, destruction of incriminating material and rendition of accounts and for damages amounting to Rs. 4 million. The matter is currently pending.

Other Confirmations

There have been no litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority, in India, against the Promoter of our Company during the last three years immediately preceding the year of the circulation of this Placement Document.

There have been no other instances of compounding of offences, prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer.

There have been no other inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of circulation of this Placement Document with respect to our Company.

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

Sr. No.	Fiscal	Details of Fraud	Action taken by the Company
1.	2014	Nil	Nil
2.	2013	Nil	Nil
3.	2012	In May 2011, the Company noted misappropriation of cheque book, resulting in fraudulent withdrawal of funds aggregating to approx. Rs. 127 lacs at its building products manufacturing unit in Hyderabad. The Company subsequently recovered approx Rs. 31 lacs, the remaining amount of Rs. 96 lacs is being provided as doubtful advance by the Company.	Our Company has initiated legal proceedings

Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:

As of date of this Placement Document, there is no outstanding default in payment of statutory dues (except on account of disputes as stated below), repayment of debentures and interest thereon, repayment of deposits and interest thereon and repayment of loan from any bank or financial institution and interest thereon.

For Fiscal 2014, the outstanding statutory dues of income-tax, sales-tax, service tax, entry tax and excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount paid under protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Duty on captive consumption of plaster of paris	5.00	2.50	FY 1990 – 91	Customs, Excise and Service tax Appellate
The Central Excise Act, 1944	Duty on cisterns cleared with fittings	27.80	-	FY 1987 – 89	Commissioner of Central Excise, Rohtak
The Central Excise Act, 1944	Duty on C.I boring/brass/ copper boring/ capital goods scrap/waste paper/waste shrink/ stretch film	103.98	10.74	FY 2005-06	Customs, Excise and Service tax Appellate Tribunal.
The Central Excise Act, 1944	Duty on structural steel	166.12	40.00	FY 2009-10	Customs, Excise and Service tax Appellate Tribunal.
Delhi Sales Tax Act, 1975	Sales tax demand due to non-submission of statutory forms	253.35	37.25	FY 2004-05 to 2011-12	Commissioner (Appeals), sales tax.
APVAT Act	Availment of credit on value added tax for purchase of plant related items	11.36	-	FY 2011-12 and 2012-13	Appellate Deputy Commissioner Rural Division, Hyderabad.
Finance Act, 1994	Availment of cenvat credit on service tax for outward freight	3.33	3.33	FY 2004-05 to FY 2006 - 07	Customs, Excise and Service tax Appellate Tribunal
APVAT Act	Availment of credit on value added tax for purchase of LPG	6.94	3.19	FY 2011-12 and 2012-13	Appellate Deputy Commissioner Rural Division, Hyderabad.
Entry Tax Act	Entry tax on electrical panels and other items	24.20	12.66	FY 2013-14	Rajasthan High Court.
Income Tax Act, 1961	Demand u/s 143(3)	62.65	-	AY 2011-12	Commissioner Income Tax (Appeals)
The Central Excise Act, 1944	Clearance of pet bottles from the manufacturing plant without proper invoice and payment	53.26	3.81	FY 2006-07	Customs, Excise and Service tax Appellate Tribunal

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Amount paid under protest (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
	of excise duty				
The Central Excise Act, 1944	Non-payment of service tax on good transport agency service.	4.72	-	FY 1999-2000 and FY 2005-08	Customs, Excise and Service tax Appellate Tribunal

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

The table below sets out the remarks of the auditors as reported by the auditor in the auditors' report and under the Companies (Auditor's Report) Order, 2003 on the standalone financial statements of our Company in last five Fiscals:

Fiscal	Reproduction of auditors remark from the audit report	Management's response
2010	Without qualifying our opinion, we draw attention to Note 21 on Schedule 20 to the financial statements regarding the Scheme of Arrangement ('the Scheme'), approved by Hon'ble Calcutta High Court. In terms of the Scheme, the Company has revalued only a portion of its freehold land by crediting the resulting gain of Rs. 23,500 lacs to the Business Reconstruction Reserve Account ("the BRR account") and has transferred Rs. 3,732.63 lacs (detailed in the Note) from the BRR account to the profit and loss account. The applicable accounting standards and generally accepted accounting principles do not provide for revaluation of part of a class of asset and credit of amounts released from reserves to the profit and loss account. However, the Company has followed the accounting treatment as prescribed under the Scheme approved by Hon'ble High Court at Kolkata. Had the Company followed the generally accepted accounting principles, the profit after tax would have been lower by Rs. 3,732.63 lacs and reserves would have been lower by Rs. 23,500 lacs.	Company followed the accounting treatment as prescribed under the scheme of arrangement as approved by the Calcutta High Court
2012	Without qualifying our opinion, we draw attention to Note 49 to the financial statements regarding the scheme of arrangement ('the scheme'), approved by Hon'ble Calcutta High Court. In terms of the scheme, the Company has revalued only a portion of its freehold land by crediting the resulting gain of ₹ 22,500 lacs to the Business Reconstruction Reserve Account ("the BRR account"). The applicable accounting standards and generally accepted accounting principles do not provide for revaluation of part of a class of asset. However, the Company has followed the accounting treatment as prescribed under the scheme approved by the Hon'ble High Court. Had the Company followed the generally accepted accounting principles, freehold land and reserves as on 31 March 2012 would have been lower by ₹ 22,500 lacs.	Company followed the accounting treatment as prescribed under the scheme of arrangement as approved by the Calcutta High Court
	According to the information and explanations given to us, except for fraudulent withdrawal of funds at one of the unit of the Company, described in note 44 to the financial statements, no fraud on or by the Company has been noticed or reported during the period covered by our audit. As further informed to us, the Company has taken adequate follow up action, including strengthening of systems.	
	Note 44: In May 2011, the Company noted misappropriation of cheque book,	The Company has

Fiscal	Reproduction of auditors remark from the audit report	Management's response
	resulting in fraudulent withdrawal of funds aggregating to approx. ₹ 127 lacs at its building products manufacturing unit in Hyderabad. The Company subsequently recovered approx ₹ 31 lacs, the remaining amount of ₹ 96 lacs is being provided as doubtful advance by the Company.	implemented a very robust system of evaluating and monitoring fraud risks and indicators. The Company has recovered part amount from one bank and interim custody/possession of part amount from court.

GENERAL INFORMATION

1. Our Company was incorporated on February 8, 1960 under the name of Hindusthan Twyfords Limited as a public limited company and received the certificate of commencement of business on February 26, 1960. Pursuant to a fresh certificate of incorporation consequent to change of name dated May 3, 1969, our Company's name was changed to Hindustan Sanitaryware & Industries Limited. Further, under schemes of amalgamation in 1981 and 1988, our Company took over the businesses of Associated Glass Industries Limited and Krishna Ceramics Limited respectively. The name of our Company was further changed to HSIL Limited on March 24, 2009.

2. Details of the Compliance Officer:

   Ms. Payal M Puri
   Company Secretary and Compliance Officer
   301-301, IIIrd Floor, Park Centra,
   Sector 30, National Highway 8, Gurgaon, 122 001, Haryana
   Tel: +91 124 4779200
   Fax: +91 124 4292898/99
   Email: payal@hindware.co.in;
   Website: www.hidwarehomes.com

3. Our Equity Shares are listed on the BSE and the NSE. The Issue was authorised and approved by the Board of Directors on October 29, 2014. The shareholders of our Company at a general meeting held on December 17, 2014 have authorised the Issue by a special resolution. Further, the Corporate Affairs Committee in their meetings held on March 9, 2015 approved the Issue.

4. We have received in-principle approval to list the Equity Shares to be issued pursuant to the Issue, from the BSE and NSE on March 9, 2015.

5. Copies of our Memorandum and Articles of Association will be available for inspection between 10:00 a.m. to 5:00 p.m. on any weekday (except Saturdays and public holidays) at our Registered Office.

6. We have obtained all consents, approvals and authorisations required in connection with this Issue.

7. Except as disclosed in this Placement Document, there has been no material change in our financial or trading position since December 31, 2014, the date of the latest limited reviewed standalone financial statements prepared in accordance with Indian GAAP included in this Placement Document, except as disclosed herein.

8. Our statutory auditors, Walker Chandiok & Co LLP, Chartered Accountants, have audited the Audited Consolidated Financial Statements, and reviewed the Unaudited Interim Condensed Standalone September Financial Statements and reviewed the Statement of Unaudited Financial Results included in this Placement Document.

9. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For details of litigations, please see page 168.

10. The Floor Price is Rs. 412.53 per Equity Share, calculated in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations.

11. Our Company has offered a discount of Rs. 12.53 on the Floor Price of Rs. 412.53 in terms of Regulation 85 of the SEBI ICDR Regulations.

12. Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the terms of the Equity Listing Agreements with the Stock Exchanges

FINANCIAL INFORMATION

Report of the Independent Auditor on Reformatted Consolidated Financial Statements

To,

The Board of Directors
HSIL Limited
2, Red Cross Place
Kolkata – 700001
India

1. The accompanying Summary Reformatted Consolidated Balance Sheet of HSIL Ltd (the "Parent Company" or the "Issuer") and its subsidiaries (hereinafter collectively referred to as the "Group") as at 31 March 2014, 31 March 2013 and 31 March 2012, related Summary Reformatted Consolidated Statement of Profit and Loss and Summary Reformatted Consolidated Statement of Cash Flows for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 and the related Statement of Notes to Reformatted Consolidated Financial Statements of the Group and Annexures (collectively, the "Reformatted Consolidated Financial Statements"), have been derived by the management of the Parent Company from the Audited Consolidated Financial Statements for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 (the "Audited Consolidated Financial Statements") respectively. The Audited Consolidated Financial Statements for respective years were adopted by the Board of Directors on 29 May 2014, 24 May 2013 and 29 May 2012 respectively.

2. Our report on the audited consolidated financial statements for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 state that we did not audit the financial statements of certain of the Parent Company's subsidiaries whose financial statements reflect total assets of ₹ 5,468.23 lacs, ₹ 12,493 lacs and ₹ 11,597 lacs as on 31 March 2014, 31 March 2013 and 31 March 2012 respectively, total revenues (after eliminating intra-group transactions) of ₹ 2,000.15 lacs, ₹ 11,762 lacs and ₹ 6,736 lacs for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 respectively and net cash

outflows aggregating to ₹ 19.79 lacs, ₹ 32 lacs and ₹ 54 lacs for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 respectively. These financial statements were audited by other auditors whose audit reports were furnished to us by the management, and our opinion on the Audited Consolidated Financial Statements of the Group for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 to the extent they relate to the financial statements not audited by us, is solely based on the audit reports of such other auditors.

3. We expressed unmodified opinions on the Audited Consolidated Financial Statements of the Group for the years ended 31 March 2014 and 31 March 2013 vide our reports dated 29 May 2014 and 24 May 2013 respectively. Our audit opinion on the Audited Consolidated Financial Statements for the year ended 31 March 2012 vide our report dated 29 May 2012 contains an emphasis of matter paragraph. The emphasis of matter paragraph was regarding the accounting treatment adopted by the Parent Company pursuant to the scheme of arrangement (the "Scheme') approved by the Hon'ble Calcutta High Court. In terms of the Scheme, the Parent Company had revalued only a portion of its freehold land by crediting the resulting gain of ₹ 22,500 lacs to the Business Reconstruction Reserve Account (the "BRR account") whereas the applicable accounting standards and generally accepted accounting principles in India do not provide for revaluation of part of a class of asset. Had the Parent Company adopted the generally accepted accounting principles on the aforementioned matter, freehold land and reserves as on 31 March 2012 would have been lower by ₹ 22,500 lacs. Our opinion was not qualified in respect of this matter.

4. The Reformatted Consolidated Financial Statements do not reflect the effects of the events that occurred subsequent to the date of our audit reports on the Audited Consolidated Financial Statements for the financial years referred to above.

5. The Reformatted Consolidated Financial Statements have been prepared by the management of the Parent Company for the purposes of inclusion in the Preliminary Placement Document and the Placement Document (together with any supplements or amendments thereto, the "Placement Documents"), prepared by the Issuer in connection with the proposed Qualified institutional placement of equity shares of ₹ 2 each (the "proposed QIP") outside the United States of America (the "Issue"). The Issue will involve the preparation by the Issuer, and for which the Issuer will be solely responsible, of the Placement Documents for filling with the Securities Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and the BSE Limited in accordance with the Securities Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009, as amended.

Management's Responsibility for the Reformatted Consolidated Financial Statements

6. The management of the Parent Company is responsible for the preparation of the Reformatted Consolidated Financial Statements from the Audited Consolidated Financial Statements for the respective periods referred above on the basis described in Note 1 of Annexure 4 to the Reformatted Consolidated Financial Statements.

Auditors' Responsibility

7. Our responsibility is to express an opinion on these Reformatted Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * Chartered Accountants

Opinion

8. In our opinion, the Reformatted Consolidated Financial Statements, which have been derived from the Audited Consolidated Financial Statements of the Group for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 are a fair summary of those Audited Consolidated Financial Statements on the basis described in Note 1 of Annexure 4 to the Reformatted Consolidated Financial Statements.

9. This report is intended solely for your information and for inclusion in the placement documents prepared in connection with the Issue and is not to be used, referred to or distributed for any other purpose, without our prior written consent.

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

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

Place: Gurgaon
Date: 9 March 2015

ANNEXURE 1 - SUMMARY REFORMATTED CONSOLIDATED BALANCE SHEET

(Amount in ₹ lacs)

Particulars		Annexure	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Equity and liabilities					
Shareholders' funds					
Share capital		6	1,320.97	1,320.97	1,320.97
Reserves and surplus		7	101,508.31	101,307.84	95,418.50
	Sub-total		**102,829.28**	**102,628.81**	**96,739.47**
Non-current liabilities					
Long-term borrowings		8	55,242.09	58,655.56	54,178.72
Deferred tax liabilities (net)		9	11,540.40	11,411.55	7,817.86
Other long-term liabilities		10	1,543.77	1,406.61	1,299.90
Long-term provisions		11	466.55	443.81	347.82
	Sub-total		**68,792.81**	**71,917.53**	**63,644.30**
Current liabilities					
Short-term borrowings		12	39,663.22	34,665.19	24,899.69
Trade payables		13	15,024.49	16,216.70	12,182.20
Other current liabilities		14	38,341.64	29,056.57	27,563.98
Short-term provisions		15	2,764.63	2,511.00	2,768.20
	Sub-total		**95,793.98**	**82,449.46**	**67,414.07**
Total			**267,416.07**	**256,995.80**	**227,797.84**
Assets					
Non-current assets					
Fixed assets					
Tangible assets		16	148,084.45	144,516.56	113,730.54
Intangible assets		17	3,503.67	157.33	167.54
Capital work-in-progress			11,946.86	6,219.29	33,327.90
			163,534.98	**150,893.18**	**147,225.98**
Goodwill on consolidation		17	347.44	5,783.79	5,783.79
Non-current investments		18	1,081.74	1,078.74	1,080.58
Long-term loans and advances		19	5,473.31	5,335.64	6,214.37
Other non-current assets		20	195.76	185.92	730.66
	Sub-total		**170,633.23**	**163,277.27**	**161,035.38**
Current assets					
Current investments		21	4.15	4.26	31.02
Inventories		22	44,433.17	40,667.89	30,592.54
Trade receivables		23	41,916.47	38,932.73	24,396.57
Cash and bank balances		24	6,029.28	8,196.66	7,348.61
Short-term loans and advances		25	4,205.36	5,782.84	4,285.27
Other current assets		26	194.41	134.15	108.45
	Sub-total		**96,782.84**	**93,718.53**	**66,762.46**
Total			**267,416.07**	**256,995.80**	**227,797.84**

Note:

The above statement should be read with the Statement of Notes to Reformatted Consolidated Financial Statements of the Group in Annexure 5.

For and on behalf of the Corporate Affairs Committee
HSIL Limited

R.B. Kabra
President - Building Products Division

This is the Summary Reformatted Consolidated Balance Sheet, referred to in our report of even date.

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

Place : Gurgaon
Date : 9 March 2015

per **Lalit Kumar**
Partner

ANNEXURE 2 - SUMMARY REFORMATTED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Amount in ₹ lacs)

Particulars	Annexure	For the year ended 31 March 2014	31 March 2013	31 March 2012
Income				
Income from operations (gross)	27	199,708.45	190,220.47	156,653.19
Less: Excise duty		13,887.77	14,092.98	10,371.57
Income from operations (net)		185,820.68	176,127.49	146,281.62
Other income	28	381.20	383.39	508.16
		186,201.88	**176,510.88**	**146,789.78**
Expenses				
Cost of raw material consumed	29	33,722.66	34,270.64	26,135.07
Purchase of traded goods	30	35,340.32	28,623.40	25,831.15
Changes in inventories of finished goods and work-in-progress	31	(4,310.67)	(8,615.69)	(4,559.11)
Employee benefits expense	32	18,843.82	18,222.26	15,906.86
Other expenses	33	76,893.42	77,757.03	57,985.91
		160,489.55	**150,257.64**	**121,299.88**
Net profit before depreciation and amortisation, finance costs, exceptional items and tax expense		**25,712.33**	**26,253.24**	**25,489.90**
Depreciation and amortization expense	16/17	11,011.82	9,321.25	6,506.56
Finance cost	34	7,177.90	6,939.07	4,195.22
Net profit before tax and exceptional items		**7,522.61**	**9,992.92**	**14,788.12**
Exceptional items (refer note 15 of Annexure 5)		-	2,366.30	-
Net profit before tax		**7,522.61**	**12,359.22**	**14,788.12**
Tax expense				
Current tax				
- Current year		3,974.93	3,032.10	3,897.66
- Earlier years		274.88	-	18.44
MAT credit (entitlement)/utilised		-	(2,471.46)	1,490.55
Deferred tax		(125.30)	3,593.69	26.70
Net profit for the year		**3,398.10**	**8,204.89**	**9,354.77**
Earnings per equity share (₹) (refer note 1 of Annexure 5)				
Basic and diluted earning per share		**5.14**	**12.42**	**14.16**

Note:
The above statement should be read with the Statement of Notes to Reformatted Consolidated Financial Statements of the Group in Annexure 5.

For and on behalf of the Corporate Affairs Committee
HSIL Limited

R.B. Kabra
President - Building Products Division

This is the Summary Reformatted Consolidated Statement of Profit and Loss, referred to in our report of even date.

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

Place : Gurgaon
Date : 9 March 2015

per **Lalit Kumar**
Partner

ANNEXURE 3 - SUMMARY REFORMATTED CONSOLIDATED STATEMENT OF CASH FLOWS

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
A. Cash flow from operating activities			
Profit before tax	**7,522.61**	**12,359.22**	**14,788.12**
Adjustments for:			
Unrealised foreign exchange (gain)/loss	(11.65)	4.98	(11.21)
Depreciation and amortisation	11,011.82	9,321.25	6,506.56
Gain on disposal of fixed assets	(19.33)	(97.48)	(204.00)
Loss on sale of fixed assets	29.05	4.28	16.64
Finance cost	7,177.90	6,939.07	4,195.22
Dividend on investments	-	(0.60)	(75.70)
Interest income	(202.17)	(198.64)	(157.52)
Loss on sale of current investments	-	-	24.82
Gain on sale of current investments	(25.76)	(14.26)	(9.31)
Profit on sale of shares held in subsidiary	-	(2,366.30)	-
Bad debts written off and provision for doubtful debts and advances	474.68	196.21	144.18
Sundry balances and liabilities no longer required, written back	(272.34)	(535.83)	(184.62)
Provision for doubtful debts written back	-	-	(4.39)
Miscellaneous expenditure written off	-	0.06	0.06
Operating profit before working capital changes	**25,684.81**	**25,611.96**	**25,028.85**
Adjustments for :			
Increase in inventories	(3,765.28)	(10,075.35)	(7,943.51)
Increase in trade and other receivables	(312.06)	(12,656.55)	(7,766.88)
(Decrease)/increase in trade and other payables	(3,792.71)	458.57	8,756.82
Cash generated from operations	**17,814.76**	**3,338.63**	**18,075.28**
Direct taxes paid	(1,570.00)	(3,433.94)	(3,757.35)
Net cash flow from operating activities	**16,244.76**	**(95.31)**	**14,317.93**
B. Cash flow from investing activities			
Acquisition of fixed assets including capital work in progress	(19,246.28)	(11,602.51)	(52,852.09)
Proceeds from sale of fixed assets	188.96	299.92	312.79
Purchase of investments	(10,728.11)	(1,703.19)	(237.47)
Proceeds from sale of investments	10,750.86	5,919.11	2,449.10
Movement in other bank balances	1.97	(157.23)	(38.16)
Interest received	176.44	160.54	165.86
Dividend received	-	0.60	75.70
Net cash used in investing activities	**(18,856.16)**	**(7,082.76)**	**(50,124.27)**
C. Cash flow from financing activities			
Proceeds from long-term borrowings	15,119.54	14,069.48	36,582.62
Repayment of long-term borrowings	(10,228.65)	(6,837.48)	(8,764.60)
Movement in short-term borrowings (net)	5,074.42	9,586.96	19,016.82
Interest paid	(7,209.39)	(6,730.36)	(4,023.11)
Dividend paid	(1,972.99)	(1,969.76)	(1,642.72)
Taxes on dividend paid	(336.74)	(321.43)	(267.86)
Net cash flow from financing activities	**446.19**	**7,797.41**	**40,901.15**
Net (decrease)/increase in cash and cash equivalents	**(2,165.21)**	**619.34**	**5,094.81**
Cash and cash equivalents at the beginning of the year	7,655.47	7,036.13	1,941.32
Cash and cash equivalents at the end of the year	**5,490.26**	**7,655.47**	**7,036.13**

(Amount in ₹ lacs)

Note:

Cash and bank balances include (refer Annexure 24):			
Cash, cheques in hand, remittances in transit and fixed deposits	4,550.97	7,172.45	6,718.71
Balances in current account with bank	939.29	483.02	317.42
Cash and cash equivalents	**5,490.26**	**7,655.47**	**7,036.13**
Held as margin money in fixed deposits	453.05	471.96	230.26
Fixed deposits with original maturity of more than 3 months but less than twelve months	10.71	2.07	26.35
Unclaimed dividend accounts	75.26	66.86	55.23
Bonus fraction 2005 account	-	-	0.34
Unclaimed share fraction account	-	0.30	0.30
Other bank balances	**539.02**	**541.19**	**312.48**
Cash and bank balances as per balance sheet	**6,029.28**	**8,196.66**	**7,348.61**

Note:
The above statement should be read with the Statement of Notes to Reformatted Consolidated Financial Statements of the Group in Annexure 5.

For and on behalf of the Corporate Affairs Committee
HSIL Limited

R.B. Kabra
President - Building Products Division

This is the Summary Reformatted Consolidated Statement of Cash Flows, referred to in our report of even date.

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

Place: Gurgaon
Date : 9 March 2015

per **Lalit Kumar**
Partner

ANNEXURE 4 - SUMMARY REFORMATTED CONSOLIDATED STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 Basis of preparation

The "Summary Reformatted Consolidated Balance Sheet" of the Group as at 31 March 2014, 31 March 2013 and 31 March 2012 , the "Summary Reformatted Consolidated Statement of Profit and Loss" and the "Summary Reformatted Consolidated Statement of Cash Flows" for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 (collectively referred to as "Reformatted Consolidated Financial Statements") have been prepared specifically for the purpose of inclusion in the preliminary placement document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Qualified Institutional Placement (hereinafter referred to as "QIP").

The reformatted consolidated financial statements of the Company have been extracted from the audited consolidated financial statements of the Company as at and for the year ended 31 March 2014, 31 March 2013 and 31 March 2012 which are available with the management of the Company.

The audited consolidated financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. The audited consolidated financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.

2 Principles of consolidation

The reformatted consolidated financial statements have been prepared in accordance with the notified Accounting Standard (AS-21) on "Consolidated Financial Statement" notified pursuant to the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1)(a) of section 642 of the Companies Act, 1956 (the "Act"). The reformatted consolidated financial statements are prepared on the following basis:

i) The reformatted consolidated financial statements normally includes Summary Reformatted Consolidated Balance Sheet, Summary Reformatted Consolidated Statement of Profit and Loss, Summary Reformatted Consolidated Statement of Cash Flows and Notes to Reformatted Consolidated Financial Statements and other statements and explanatory material that form an integral part thereof. The Reformatted Consolidated Financial Statements are presented, to the extent possible, in the same format as adapted by the Parent Company for its reformatted financial statements.

ii) The reformatted consolidated financial statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition profit increase in the relevant reserves of the entity to be consolidated and further adjusted pursuant to note 12 of annexure 5..

iii) Notes to reformatted consolidated financial statements represent notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the reformatted consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the reformatted consolidated financial statements has not been disclosed in the reformatted consolidated financial statements.

iv) The excess/deficit of cost to the Parent Company of its investment over its portion of equity in the subsidiaries at the respective date on which the investment in such entity was made is recognised in the reformatted consolidated financial statements as goodwill/capital reserve on consolidation. The Parent Company's portion of equity in such entities is determined on the basis of book value of assets and liabilities as per financial statements of the entity as on the date of investment.

Statement of entities consolidated

Name of the Company	**Date of Shareholding**	**Country of Incorporation**	**Percentage of shareholding**
Hindware Home Retail Private Limited	09 September 2006	India	100%
HSIL Associates Limited	04 September 2008	India	100%
Garden Polymer Private Limited *(Subsidiary till 13 March 2014 since it got amalgamated with HSIL Limited the holding company as per the scheme approved by the Hon'ble High Court of Calcutta on 13 March 2014)*	12 August 2011	India	100%
AGI Glasspack Limited *(upto 24 March 2013 since ceased to be subsidiary with effect from 25 March 2013)*	29 May 2003	India	100%
Halis International Limited	14 January 2009	Mauritius	100%
Alchemy International Cooperatief U.A. *(Subsidiary of Halis International Limited)*	24 April 2009	Netherland	100%
Haas International B.V. *(Subsidiary of Alchemy International Cooperatief U.A.)*	08 July 2009	Netherland	100%
Barwood Products Limited *(Subsidiary of Haas International B.V.)*	23 June 2010	United Kingdom	100%

3 Use of estimates

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

4 Summary of significant accounting policies

i Fixed assets

Tangible

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

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

Intangible

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

Capital work-in-progress

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

ii Depreciation and amortisation

A Tangible

Depreciation on tangible assets have been provided on straight line method at the rates and in the manner prescribed under schedule XIV ('schedule') to the Companies Act, 1956, except the following:

a) on assets acquired and put to use on or before 1 July 1987 in the glass division, Sanathnagar, Andhra Pradesh of the Parent Company and on vehicles purchased by the Group, depreciation is provided on written down value method at the rates and in the manner prescribed in the schedule;

b) on furnaces (included in plant and machinery) having a cost of ₹ 20,743.05 lacs, ₹ 19,890.76 lacs and ₹ 12,054.82 lacs for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 respectively used in the glass divisions of the Parent Company, depreciation is provided on straight line method, as technically assessed from time to time, based on expected useful lives of the furnaces. The rate being 16.21% per annum, as prescribed in the schedule;

c) leasehold improvements are amortised over the period of the lease or estimated useful life of the leasehold improvements, whichever is lower.

d) all individual assets costing ₹ 5,000 or less are depreciated in full in the year of purchase.

e) Laptop, mobiles, camera, and computer software are depreciated over a period of three years.

f) Desktops are depreciated over a period of four years.

B Intangible

a) Technical knowhow is being amortised over a period of ten years.

b) Goodwill arising on merger is amortized over a period of seven years.

The depreciation and amortisation rates are indicative of expected useful lives of the assets.

iii Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the summary reformatted consolidated statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

iv Investments

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

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

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

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

v Inventories

a) Inventories are valued as follows:

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

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

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

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

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

Finished goods - traded - On weighted average basis.

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

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

vi Cash and cash equivalent

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

vii Revenue recognition

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

Sale of goods

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

Other income

1. Interest income is recognised on a time proportion basis at the applicable rates.
2. Insurance claims are recognised on actual realization basis.
3. Dividend income is recognised when the right to receive the income is established.

viii Export benefit/incentives

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

ix Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15, "Employee Benefits (Revised 2005)" ("Revised AS 15") as notified by Companies (Accounting Standards) Rules, 2006.

a) Provident fund

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

For other companies of the Group, provident fund benefit is a defined contribution plan where fixed contributions are made into funds established under Employees Provident Fund and Miscellaneous Provision Act, 1952.

b) Gratuity

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

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

c) Compensated absence

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

d) Other short term benefits

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

x Leases

a) Operating lease

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

xi Foreign currency transactions

Indian Rupee is the reporting currency for the Group. However, the local currencies of non-integral overseas subsidiaries are different from the reporting currency of the Group. The translation of local currencies into Indian Rupee is performed for assets and liabilities (excluding share capital, opening reserves and surplus), using the exchange rate as at the balance sheet date, and for revenues, costs and expenses using average exchange rate during the reporting period. Share capital, opening reserves and surplus are carried using historical rates. Resultant currency translation exchange gain / loss is carried as foreign currency translation reserve under reserves and surplus. Investments in foreign entities are recorded at the exchange rate prevailing on the date of making the investment.

Income and expenditure items of integral foreign operations are translated at the yearly average exchange rate of their respective foreign currencies. Monetary items at the balance sheet date are translated using the rates prevailing on the balance sheet date. Non- monetary assets are recorded at the rates prevailing on the date of the transaction. Any resultant gains or losses are accounted for in the summary reformatted consolidated statement of profit and loss.

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

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

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

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

xii Research and development

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

xiii Borrowing cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised as part of the cost of such assets, in accordance with Accounting Standard-16, "Borrowing Costs" as notified by Companies (Accounting Standard) Rules, 2006. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary interruption. All other borrowing costs are charged to the summary reformatted consoliodated statement of profit and loss as incurred.

xiv Taxes on income

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

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

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

xv Earnings per share

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

xvi Contingent liabilities and provisions

The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Group;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- present obligation, where a reliable estimate cannot be made.

xvii Segment reporting

The accounting policies adopted for segment reporting are in line with those of the Group with the following additional policies for segment reporting:

a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b) Revenues and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included as unallocated corporate expenses.

c) Assets and liabilities, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, are shown as unallocated assets and liabilities respectively.

ANNEXURE 5 - STATEMENT OF NOTES TO REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

1 Earning per share

(Amount in ₹ lacs)

	Particulars	**For the year ended**		
		31 March 2014	**31 March 2013**	**31 March 2012**
a)	**Computation of profit**			
	Net profit after tax attributable to equity shareholders	3,398.10	8,204.89	9,354.77
b)	**Computation of weighted average number of shares for**			
	Basic and diluted earnings per share (refer Annexure 6)	66,046,395	66,046,395	66,046,395
c)	**Nominal value per share (₹)**	2	2	2
d)	**Earnings per share** – basic and diluted (₹)	**5.14**	**12.42**	**14.16**

2 Contingent liabilities

(Amount in ₹ lacs)

	Particulars	**For the year ended**		
		31 March 2014	**31 March 2013**	**31 March 2012**
i	Contingent liabilities not provided for in respect of:			
a)	Demands raised by the excise authorities against which appeals have been filed	364.21	532.98	365.15
b)	Demands raised by the income-tax authorities against which appeals have been filed	62.65	283.60	-
c)	Demands made by the sales tax authorities against which appeals have been filed	295.85	148.04	247.54
d)	Demands made by the service tax authorities against which appeals have been filed	77.77	91.71	85.97
e)	Bank guarantees outstanding	3,166.86	2,610.03	3,168.54
f)	Claims not acknowledged as debts	2,043.44	2,139.62	2,049.56
g)	Duty availed on imports against Export Promotion Capital Goods licenses	2,818.42	2,982.85	3,098.05
ii	Unfulfilled export obligation under Export Promotion Capital Goods license of Export Import Policy	22,547.37	23,862.82	24,784.42

3 Capital and other commitments

Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	2,857.76	7,724.58	28,084.24

4 Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

Principal amount remaining unpaid	8.46	17.92	152.12
Interest accrued and remaining unpaid as at year end	-	-	-

The management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2014, 31 March 2013 and 31 March 2012 has been made in the reformatted consolidated financials statements based on information received and available with the Company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

5 Payment to auditors for:

(Amount in ₹ lacs)

Particulars	**For the year ended**		
	31 March 2014	**31 March 2013**	**31 March 2012**
a) Statutory audit fee	15.00	15.00	14.00
b) Tax audit fee	2.50	2.50	2.00
c) Other services (including limited review)	10.00	10.00	5.50
d) Reimbursement of expenses	6.04	5.55	4.37
e) Service tax	4.15	4.09	2.87
	37.69	**37.14**	**28.74**

6 **Employee benefits**

During the years ended 31 March 2014, 31 March 2013 and 31 March 2012, the Group has recognized the following amounts in the summary reformatted consolidated statement of profit and loss.

a) **Provident and other fund:***

(Amount in ₹ lacs)

Particulars	**For the year ended**		
	31 March 2014	**31 March 2013**	**31 March 2012**
Employer's contribution to provident fund **	568.56	482.12	426.99
Employer's contribution to Employee's State Insurance	137.05	129.93	130.52

* Included in contribution to provident and other funds (refer Annexure 31)

** in terms of the guidance on implementing the revised AS 15, of the Companies (Accounting Standards) Rules, 2006, the provident fund set up by the Parent Company is treated as a defined benefit plan since the Parent Company has to meet the interest shortfall, if any. However, as at the year-end the Parent Company is having no interest shortfall, which is unprovided.

b) **Defined benefit plan - gratuity (funded)** *(Amount in ₹ lacs)*

Particulars	**For the year ended**		
	31 March 2014	**31 March 2013**	**31 March 2012**
Amount recognised in summary reformatted consolidated balance sheet			
Present value of obligation	1,385.25	1,369.93	1,243.09
Fair value of plan assets	1,347.43	1,267.36	1,133.30
Net liability recognised in the summary reformatted consolidated balance sheet (refer Annexure 15)	**37.82**	**102.57**	**109.79**
Amount recognised in the summary reformatted consolidated statement of profit and loss:			
Current service cost	139.28	133.97	117.95
Interest cost	109.07	93.84	84.87
Expected return on plan assets	(110.84)	(90.67)	(89.85)
Actuarial loss	5.56	13.18	98.43
Total included in reformatted consolidated statement of employee benefits expenses*	**143.07**	**150.32**	**211.40**
*refer Annexure 32			
Return on plan assets:			
Expected return on plan assets	110.84	90.67	89.85
Actuarial loss	0.73	36.45	(44.21)
Actual return on plan assets	**111.57**	**127.12**	**45.64**
Reconciliation of opening and closing balances of benefit obligations and plan assets			
Change in defined benefit obligation			
Defined benefit obligation at the beginning of the year	1,354.18	1,243.09	1,121.54
Acquisition adjustments*	15.75	-	-
Interest cost	109.07	93.84	84.87
Current service cost	139.28	133.97	117.95
Benefits paid	(239.31)	(142.87)	(135.49)
Actuarial loss	6.28	41.90	54.22
Defined benefit obligation at the end of the year	**1,385.25**	**1,369.93**	**1,243.09**
Changes in the fair value of plan assets			
Fair value of plan assets at the beginning of the year	1,255.11	1,133.30	1,122.90
Acquisition adjustments*	12.25	-	-
Expected return on plan assets	110.84	90.67	89.85
Employer's contributions	201.85	149.80	100.25
Benefits paid	(233.35)	(142.86)	(135.49)
Actuarial loss	0.73	36.45	(44.21)
Fair value of plan assets at the end of the year	**1,347.43**	**1,267.36**	**1,133.30**

** transfer of balances (as per actuarial valuation report) on account of merger of Garden Polymer Private Limited ('transferor company') with HSIL Limited ('transferee company').*

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Assumptions used to determine the defined benefit obligations:			
Discount rate	8.0% - 8.5%	8.0% - 8.5%	8.0% - 8.5%
Expected rate of increase in compensation levels	5.0% - 6.0%	5.0% - 6.0%	5.0% - 6.0%
Expected rate of return on plan assets	8.0% - 8.7%	8.0% - 8.7%	8.0% - 8.5%
Expected average remaining working life of employees	17 - 28.53 years	17 - 28.53 years	17 - 29.17 years

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Defined benefit plan – gratuity			
Defined benefit obligation	(1,385.25)	(1,369.93)	(1,243.09)
Plan assets	1,347.43	1,267.36	1,133.30
(Deficit)/surplus	**(37.82)**	**(102.57)**	**(109.79)**

The Parent Company made annual contribution to the Birla Sun Life Insurance Company Limited ("BSL") of an amount advised by the BSL. The Parent Company was not informed by BSL of the investment made or the break down of plan assets by investment type, accordingly related disclosures are not included in these reformatted consolidated financial statements.

c) **Defined benefit plan - compensated absences (unfunded)** *(Amount in ₹ lacs)*

Amounts recognized in summary reformatted consolidated balance sheet			
Long-term (refer Annexure 11)	441.93	421.19	318.01
Short-term (refer Annexure 15)	190.78	187.64	150.50
Amounts recognized in the summary reformatted consolidated statement of profit and loss			
Current service cost	86.47	92.56	80.21
Interest cost	47.90	36.88	30.49
Actuarial loss	122.16	179.88	116.16
Total included in consolidated statement of employee benefits expense, as reformatted*	**256.53**	**309.32**	**226.86**
*refer Annexure 31			
Reconciliation of opening and closing balances of benefit obligations			
Change in benefit obligation			
Defined benefit obligation at the beginning of the year	598.66	468.51	358.67
Acquisition adjustments	10.17	-	-
Interest cost	47.90	36.88	30.49
Current service cost	86.47	92.56	80.21
Benefits paid	(222.48)	(169.00)	(117.02)
Actuarial loss	122.16	179.88	116.16
Defined benefit obligation at the end of the year	**642.88**	**608.83**	**468.51**
Assumptions used to determine the defined benefit obligation			
Discounting rate	8.00%	8.00%	8.50%
Expected rate of increase in compensation levels	5.5% - 6.0%	5.5% - 6.0%	6.00%
Expected average remaining working life of employees	21 - 28.55 years	21 - 28.55 years	19 - 29.17 years

7 **Un-hedged position** *(Amount in ₹ lacs)*

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below as on each balance sheet date:

Trade receivables			
Exports outstanding	627.17	716.84	1,101.40
Trade payables			
Payable on imports	812.00	1,321.70	2,542.41
Short-term borrowings			
Buyer's credit facility	2,986.41	6,097.03	4,459.73
Long-term borrowings			
Term loans	32,839.49	32,412.69	31,736.08

Details of derivative instruments outstanding

(Amount in lacs)

Particulars of hedged derivatives	31 March 2014	31 March 2013	31 March 2012	Purpose
Sell (in US$)	-	60.00	-	Hedge of future receipts towards external commercial borrowings.
Buy (in US$)	410.89	455.66	412.38	Hedge of future payments towards external commercial borrowings.

8 Capital work-in-progress includes expenditure during construction period

(Amount in ₹ lacs)

Particulars	For the year ended 31 March 2014	31 March 2013	31 March 2012
Balance brought forward from previous year	-	3,721.89	-
Add:			
- Raw material consumed	-	1,063.61	394.46
- Packing material consumed	-	241.47	83.54
- Stores and spares consumed	-	272.31	154.51
- Power and fuel	-	1,519.57	652.49
- Insurance	-	-	12.58
- External commercial borrowing loan processing charges	-	-	362.66
- Traveling and conveyance	-	10.05	77.96
- Rent and hiring charges	-	9.80	42.36
- Salary, wages and bonus	-	152.26	588.18
- Interest paid	-	246.94	706.22
- Foreign exchange fluctuation loss	-	25.81	2,021.41
- Mould job work charges	-	-	23.61
- Miscellaneous expenses	-	31.48	109.71
Total (A)	**-**	**7,295.19**	**5,229.69**
Less :			
- Sales	-	2,253.09	320.38
- Increase in stocks including excise duty	-	574.08	848.78
- Interest received	-	17.88	338.64
Total (B)	**-**	**2,845.05**	**1,507.80**
Total (A-B)	**-**	**4,450.14**	**3,721.89**
Allocated to fixed assets	-	4,450.14	-
Balance allocated to capital work-in-progress	-	-	3,721.89
Balance carried forward	-	-	-

9 In May 2011, the Parent Company noted misappropriation of cheque book, resulting in fraudulent withdrawal of funds aggregating to approx. ₹ 127 lacs at its building products manufacturing unit in Hyderabad. The Parent Company subsequently recovered approx. ₹ 31 lacs in 2011-12, the remaining amount of ₹ 96 lacs was being provided as doubtful advance by the Parent Company during year ended 31 March 2012. The Parent Company subsequently recoverd approx ₹ 48 lacs in 2013-14.

10 Leases

a) Lease payments under cancellable operating leases amounting to ₹ 2,347.07 lacs, ₹ 2,208.49 lacs and ₹ 1,672.05 lacs has been charged to the summary reformatted consolidated statement of profit and loss for the years ended 31 March 2014, 2013 and 2012 respectively.

11 The Parent Company vide 'Share Purchase Agreement' dated 26 May 2011 acquired 18,500 equity shares representing the entire paid up capital of Garden Polymers Private Limited ("Garden Polymers") located in India for a total consideration of ₹ 8,686.97 lacs (including transaction costs). Details of the assets and liabilities as of the date of investment are as below:

(Amount in ₹ lacs)

Particulars	As at 31 March 2012
Fixed assets including capital work in progress	4,532.72
Non-current assets	5.02
Current assets	1,157.47
	5,695.21
Less: Non-current liabilities and current liabilities	2,444.47
Share of net assets acquired	3,250.74
Net consideration paid	8,686.97
Goodwill	5,436.23

12 Haas International B.V., Netherlands, a wholly owned subsidiary of the Group has, vide 'Share Purchase Agreement' dated 24 June 2010 acquired 100% equity share capital of Barwood Products (Staffordshire) Limited (Now, Barwood Products Limited with effect from 16 December 2010)("Barwood") located in United Kingdom for a consideration of Rs. 622.22 lacs. Details of the assets and liabilities as of the date of investment are as below:

(Amount in ₹ lacs)

Particulars	As at 31 March 2011
Fixed assets	42.78
Current assets	419.30
	462.08
Less: Current liabilities	187.39
Book value of the investee (A)	274.69
Net consideration paid (B)	622.22
Goodwill (B)-(A)	347.53

As on 31 March 2011, total paid up share capital of Barwood is GBP 501 divided into 501 ordinary shares of GBP 1 each, which is held by Haas International B.V., Netherlands.

13 Scheme of Amalgamation

a) The Board of Directors of the Parent Company on 25 September 2012 approved the Scheme of Amalgamation (the "Scheme") between Garden Polymer Private Limited ("transferor Company") and HSIL Limited ("transferee Company"). The Scheme has been approved by the Hon'ble High Court of Calcutta on 13 March 2014 and made effective upon filing of the approved scheme with the Registrar of Companies, West Bengal with an appointed date of 1 April 2012.

b) Accordingly, all the properties, assets, rights, powers, liabilities and duties of the Transferor Company vested in the Transferee Company as a going concern from the appointed date and the Transferor Company stands dissolved without being wound up.

c) Pursuant to the scheme coming into effect, the authorised share capital of the transferor company has been combined with the Company and resultantly there is an increase in authorised share capital by ₹ 225.00 lacs.

d) As per the scheme of amalgamation:

• the amalgamation of the Transferor Company were accounted for in the books of the Transferee Company by adoption of 'Purchase Method' method in accordance with the notified Accounting Standard-14,"Accounting for amalgamations".

• with effect from the appointed date, the Transferee Company have recorded all the identificable assets and liabilities of the Transferor Company at their respective fair values.

• in case of any differences arising in accounting polices between the Transferor Company and Transferee Company, the impact of the same has been adjusted in the Statement of Profit and Loss of the Transferee Company.

• the difference between the investment made by the Transferee Company in the Transferor Company and the net assets acquired of the Transferor Company has been shown under Goodwill.

e) The financial impact of the above amalgamation is as follows:

Particulars		*(Amount in ₹ lacs)*
Assets taken over:		
Fixed assets (at fair value)		3,975.84
Non-current investments		5.03
Loans and advances and other assets (current and non-current)		251.76
Inventories		809.69
Trade receivables		1,592.75
Cash and bank balances		2.33
Total		**6,637.40**
Liabilities taken over:		
Borrowings (long-term and short-term)	1,116.73	
Deferred tax liabilities (net)	429.23	
Trade payables, other liabilities and provisions (current and non-current)	1,120.38	**2,666.34**
Net assets acquired		3,971.06
Investment in the transferor Company		8,686.97
Goodwill		**4,715.91**

f) Adjustment on account of merger is explained below:

Profit of transferor company from appointed date to 31 March 2013	415.42
Tax adjustments	77.24
Other adjustments	(564.51)
	(71.85)

14 In view of long term business relations, trade deposits from dealers are considered as long term liabilities.

15 Exceptional items

During the year ended 31 March 2013, the Parent Company has divested its entire investment held in equity shares of AGI Glasspack Limited, a wholly owned subsidiary at a total consideration of ₹ 4,195.27 lacs. Consequent to divestment, AGI Glasspack Limited has ceased to be a subsidiary of the Parent Company with effect from 25 March 2013. Profit (before applicable taxes) on disposal of such non-current investment amounting to ₹ 2,366.30 lacs is classified under the head "exceptional items" in the reformatted consolidated financial statements.

16 Appropriate re-classifications have been made in the Reformatted Consolidated Financial Statements wherever required, by re-classification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited consolidated financial statements of the Company and the requirements of the SEBI Regulations.

ANNEXURE 6 - REFORMATTED CONSOLIDATED STATEMENT OF SHARE CAPITAL

(Amount in ₹ lacs)

Particulars	As at 31 March 2014 Number	2014 Amount	2013 Number	2013 Amount	2012 Number	2012 Amount
Share capital						
Authorised :						
Equity shares of ₹ 2 each	100,000,000	2,000.00	100,000,000	2,000.00	100,000,000	2,000.00
Equity shares of ₹ 1,000 each (refer note 13 of Annexure 5)	20,000	200.00	-	-	-	-
Preference shares of ₹ 1,000 each (refer note 13 of Annexure 5)	2,500	25.00	-	-	-	-
		2,225.00		**2,000.00**		**2,000.00**
Issued						
Equity shares of ₹ 2 each	66,050,220	1,321.00	66,050,220	1,321.00	66,050,220	1,321.00
		1,321.00		**1,321.00**		**1,321.00**
Subscribed and Paid up						
Equity shares of ₹ 2 each fully paid up	66,046,395	1,320.93	66,046,395	1,320.93	66,046,395	1,320.93
Add : Forfeited shares	19.48%	0.04		0.04		0.04
		1,320.97		**1,320.97**		**1,320.97**

(a) Reconciliation of share outstanding at the beginning and at the end of reporting year

(Amount in ₹ lacs)

Particulars	Number	Amount	Number	Amount	Number	Amount
Equity shares outstanding at the beginning/end of the year	66,046,395	1,320.93	66,046,395	1,320.93	66,046,395	1,320.93

(b) Terms and rights attached to equity shares:-

The Parent Company has issued only one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Parent Company declares and pays dividend in Indian Rupees. During the years ended 31 March 2014, 31 March 2013 and 31 March 2012, the amount of per share dividend is recognised as distribution to equity shareholder as ₹ 3 per share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holder of equity shares will be entitled to receive remaining assets of the Parent Company, after setting off all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) List of shareholders holding more than 5% of the equity share capital of the Parent Company*:

	31 March 2014 Number	31 March 2014 % of holding	31 March 2013 Number	31 March 2013 % of holding	31 March 2012 Number	31 March 2012 % of holding
Paco Exports Limited	20,664,530	31.29	20,664,530	31.29	20,664,530	31.29
Soma Investments Limited	4,000,000	6.06	4,000,000	6.06	4,000,000	6.06
New Delhi Industrial Promotors & Investors Limited	3,650,000	5.53	3,650,000	5.53	3,650,000	5.53
T. Rowe Price International Discovery Fund	-	-	3,596,728	5.45	-	-
HPC (Mauritius) Limited	-	-	-	-	5,812,600	8.80

**Information is furnished as per shareholder register as at the year end.*

(d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

(e) The above figure of subscribed and paid up capital includes application and allotment money received on forfeited shares amounting to ₹ 0.04 lacs .

ANNEXURE 7 - REFORMATTED CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Reserves and surplus			
a. Capital reserves			
Balance as at beginning/end of the year	120.80	120.80	121.06
b. Capital redemption reserve			
Balance as at beginning/end of the year	15.00	15.00	15.00
c. Securities premium account			
Balance as at beginning/end of the year	21,144.82	21,144.82	21,144.82
d. Central subsidy reserve*			
Balance as at beginning/end of the year	25.00	25.00	25.00
e. Business reconstruction reserve			
Opening balance	32,267.37	32,267.37	9,767.37
Add: Revaluation of land during the year	-	-	22,500.00
Closing balance	**32,267.37**	**32,267.37**	**32,267.37**
f. General reserve**			
Opening balance	20,903.64	18,903.64	16,903.64
Add: transfer from surplus in the summary reformatted consolidated statement of profit and loss	2,000.00	2,000.00	2,000.00
Closing balance	**22,903.64**	**20,903.64**	**18,903.64**
g. Foreign currency translation reserve			
Opening balance	28.20	23.68	23.26
Add: change during the year	(13.01)	4.52	0.42
Closing balance	**15.19**	**28.20**	**23.68**
h. Surplus in the summary reformatted consolidated statement of profit and loss			
Opening balance	26,803.01	22,917.93	17,866.81
Add: net profit for the year	3,398.10	8,204.89	9,354.77
Less: adjustments on post acquisition profits***	(794.64)	-	-
Less: adjustments on account of merger (refer note 13 of Annexure 5)	(71.85)	-	-
Appropriations:			
Asset revaluation reserve	-	-	(0.83)
Proposed equity dividends	(1,981.39)	(1,981.39)	(2,034.96)
Corporate dividend tax	(336.74)	(336.74)	(267.86)
Profit of a subsidiary company (ceased to be subsidiary with effect from 25 March 2013)	-	(1.68)	
Transfer to general reserve	(2,000.00)	(2,000.00)	(2,000.00)
Closing balance	**25,016.49**	**26,803.01**	**22,917.93**
	101,508.31	**101,307.84**	**95,418.50**

** Central subsidy reserve was created for subsidy received from Government to install diesel generator sets.*

*** General reserve includes ₹ 10,000 lacs transferred from Business Reconstruction Reserve which cannot be used for issue of bonus shares and payment of dividend.*

****This balance is the profit earned by Garden Polymer Private Limited ('transferor company') from date of acquisition (11 August 2011) to 31 March 2013 and accounted as per Scheme of Amalgamation in these refomratted consolidated financial statement. Also, refer note 13 of Annexure 5.*

ANNEXURE 8 - REFORMATTED CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS

(Amount in ₹ lacs)

Particulars	As at 31 March 2014	2013	2012
Secured			
Term loans from banks			
Foreign currency loans	42,311.48	48,813.24	46,667.42
Rupee loans	8,050.34	4,766.78	2,830.68
	50,361.82	**53,580.02**	**49,498.10**
Unsecured			
Deferred payment liabilities	4,880.27	5,075.54	4,680.62
	4,880.27	**5,075.54**	**4,680.62**
Total	**55,242.09**	**58,655.56**	**54,178.72**

Notes:

1. Foreign currency loans (including current maturities) as at 31 March 2014 comprises of:

a) The External commercial borrowings ('ECB') of USD 17 million from the Hongkong and Shanghai Banking Corporation Bank Plc, London, United Kingdom, carries interest @ 6 months LIBOR *plus* 200 bps, is repayable in 30 installments ranging from USD 0.40 million to USD 1.00 million commencing from September 2011. These ECBs are secured by way of hypothecation of the whole of fixed assets including movable plant and machinery, machine spares, tools and accessories (both present and future) pertaining to the glass divisions of the Parent Company located at Sanathnagar and Bhongir. Further they are secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass divisions of the Parent Company situated at Sanathnagar and Bhongir in Andhra Pradesh.

b) The ECB of USD 16.75 million from Citibank N.A., London, United Kingdom carries an interest @ 6 months LIBOR plus 181 bps, is repayable in 10 installments ranging from USD 0.299 million to USD 0.925 million commencing from September 2011. These ECBs are secured by way of hypothecation of the whole of fixed assets including movable plant and machinery, machine spares, tools and accessories (both present and future) pertaining to the glass divisions of the Parent Company located at Sanathnagar and Bhongir. They are further secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass divisions of the Parent Company situated at Sanathnagar and Bhongir in Andhra Pradesh.

c) The ECB of USD 16 million from Standard Chartered Bank, London, UK carries an interest @ 6 months LIBOR plus 177 bps, is repayable in 6 installments ranging from USD 0.12 million to USD 1.079 million commencing from September 2010. These ECBs are secured by way of hypothecation of the whole of fixed assets including movable plant and machinery, machine spares, tools and accessories (both present and future) pertaining to the glass divisions of the Parent Company located at Sanathnagar and Bhongir. They are further secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass divisions of the Parent Company situated at Sanathnagar and Bhongir in Andhra Pradesh.

d) The ECB of USD 8 million from Standard Chartered Bank (Mauritius) Limited carrying interest @ 6 months LIBOR plus 225bps, is repayable in 32 equal installments of USD 0.25 million starting from September 2012. These ECB are secured by way of hypothecation of the whole of fixed assets including movable plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass divisions of Parent Company located at Sanathnagar and Bhongir and further secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass divisions of the Parent Company situated at Sanathnagar and Bhongir in Andhra Pradesh.

e) The ECB of USD 20 million from Standard Chartered Bank, London, United Kingdom carries an interest @ LIBOR plus 250 bps, is repayable in 50 installments ranging from USD 0.225 million to USD 0.90 million commencing from March 2014. These ECB are secured by way of hypothecation of the whole of fixed assets including movable plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass divisions of the Parent Company located at Sanathnagar and Bhongir. They are further secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass divisions of the Parent Company situated at Sanathnagar and Bhongir in Andhra Pradesh.

f) The ECB of USD 25 million from DBS Bank Limited, Singapore carries an interest @ 6 months LIBOR plus 260 bps, is repayable in 50 installments ranging from USD 0.32 million to USD 0.72 million commencing from March 2014. These ECBs are secured by way of hypothecation of the whole of fixed assets including movable plant and machinery, furniture and fittings, equipments, computer hardware, computer software, machinery spares, tools and accessories (both present and future) pertaining to the glass divisions of the Parent Company located at Sanathnagar and Bhongir. They are further secured by first pari-passu charge by way of mortgage of deposit of title deeds of immovable properties of glass divisions of the Parent Company situated at Sanathnagar and Bhongir in Andhra Pradesh.

g) The ECB of USD 8.955 million from DBS Bank Limited, Singapore carries an interest @ 3 months LIBOR plus 200 bps, is repayable in 32 equal installments of USD 0.281 million commencing from October 2012, They are secured by exclusive charge by way of mortgage of deposit of title deeds of vacant freehold land situated at Sitarampur, Isnapur, PO Medak District, Hyderabad, Andhra Pradesh.

h) The ECB of USD 20 million from the Hongkong and Shanghai Banking Corporation Bank Limited (Mauritius) carries an interest @ 6 months LIBOR plus 300 bps, is repayable in 35 installments ranging from USD 0.57 million to USD 1.14 million starting from November 2014. They are secured by first pari-passu charge over all present and future movable and immovable fixed assets of Sanitaryware plant located at Bahadurgarh, District Jhajjar, Haryana.

2) Rupee loans (including current maturities) as at 31 March 2014 comprises of:

a) Term loan of ₹ 4,000 lacs from DBS Bank Limited carries an interest @ 10.25% per annum and is repayable in 16 equal quarterly installments of ₹ 250 lacs commencing from March 2011. The loan is secured by first pari-passu charge by way of mortgage of deposit of title deeds of the Parent Company pertaining to vacant freehold industrial land situated at Sitarampur, Isnapur, PO Medak District, near Hyderabad, Andhra Pradesh.

b) Term loan of ₹ 5,000 lacs from DBS Bank Limited carries and interest @ 10.70% per annum and is repayable in 48 quarterly installments ranging from ₹ 62.50 lacs to ₹ 125.00 lacs commencing from February 2014. The loan is secured by first pari-passu charge on immovable and movable fixed assets located at the Parent Company's sanitaryware plant in Bahadurgarh, District Jhajjar, Haryana.

c) Term loan of ₹ 3,800 lacs from GE Money Financial Services Private Limited carries an interest rate at effective State Bank of India base rate plus 160 bps per annum and is repayable in 13 quarterly installments of ₹ 292 lacs commencing from January 2015. The loan is secured by exclusive charge on immovable property located at 301-302, Park Centra, Sector-30, Village Silokhera, Gurgaon, Haryana.

d) Disclosure of loans taken by Hindware Home Retail Private Limited (HHRPL) (one of the subsidiary of the Company):
Central Bank of India: Term loan I of ₹ 880 lacs carries an interest rate of base rate plus 3.5% per annum. The loan is repayable in 8 quarterly installments of ₹ 44 lacs starting from first quarter of 2011-12 and balance in 8 quarterly installments of ₹ 66 lacs starting from first quarter of 2013-14.
Central Bank of India: Term loan II of ₹ 1500 lacs carries an interest rate of base rate plus 3.5% per annum. The loan is repayable in 16 quarterly installments of ₹ 93.75 lacs starting from third quarter of 2013-14.

Both the term loans are secured by way of -
I. Hypothecation of the whole of furniture and fixtures, plant and machinery, office equipment and all other fixed assets. II. Corporate guarantee of HSIL Limited (holding company).

3) **Car finance loans** from ICICI bank of ₹ 320 lacs, carries an interest @ 9.30% per annum and is repayable in 48 equal monthly installments of ₹ 8.01 lac commencing from November 2013 and is secured by hypothecation of vehicles finance out of the proceed of such loan.

4) **Deferred payment liabilities** is in respect of value added tax and central sales tax liabilities pertaining to the years 1999-2000 to 2012-2013 and is repayable by the end of financial year 31 March 2027. In case of default in payment of the outstanding balance, the Parent Company is required to pay interest at 21.5% per annum (compound interest) calculated from the due date for payment of such balance. The outstanding amount of deferred sales tax credit is subject to assessment by sales tax authorities.

5) **Current maturities of long-term borrowing** amounting to ₹ 18,392.83 lacs, ₹ 10,088.48 lacs and ₹ 7373.57 lacs for the years ended 31 March 2014, 31 March 2013 and 31 March 2012 respectively are included under the head 'Other current liabilities'.

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ANNEXURE 9 - REFORMATTED CONSOLIDATED STATEMENT OF DEFERRED TAX ASSETS/LIABILITIES (NET)

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Deferred tax liabilities (net)			
Deferred tax liability arising on account of			
Depreciation and amortisation	15,435.53	13,680.18	8,529.24
Tax impact of other expenses charged in the reformatted consolidated financial statement but allowable as deductions in future years under income-tax	-	5.52	-
	15,435.53	**13,685.70**	**8,529.24**
Deferred tax asset arising on account of			
Provision for doubtful debts and loans and advances	329.03	172.41	114.52
Employee benefits	210.84	190.44	143.79
Foreign exchange adjustments on external commcercial borrowings	3,345.24	1,845.84	384.46
Others	10.02	65.46	62.40
Tax impact of other expenses charged in the reformatted consolidated financial statement but allowable as deductions in future years under income-tax	-	-	6.21
	3,895.13	**2,274.15**	**711.38**
Deferred taxes liabilities, net	**11,540.40**	**11,411.55**	**7,817.86**

ANNEXURE 10 - REFORMATTED COSOLIDATED STATEMENT OF OTHER LONG TERM LIABILITIES

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Trade deposits from dealers(refer note 14 of Annexure 5)	1,342.75	1,168.66	1,044.31
Others			
Earnest money deposits	4.56	23.20	54.78
Vehicle loan deposits from employees	120.46	169.30	174.26
Security deposits/retention money payable	70.80	40.29	20.03
Other liabilities	5.20	5.16	6.52
	1,543.77	**1,406.61**	**1,299.90**

ANNEXURE 11 - REFORMATTED CONSOLIDATED STATEMENT OF LONG TERM PROVISIONS

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Provision for employee benefits			
Gratuity (refer note 6 of Annexure 5)	24.62	22.62	29.81
Compensated absences (refer note 6 of Annexure 5)	441.93	421.19	318.01
	466.55	**443.81**	**347.82**

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ANNEXURE 12 - REFORMATTED CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	**2013**	**2012**
Secured			
Buyer's credit facilities	2,691.99	2,704.61	1,036.35
Cash credit facilities	19,976.81	4,118.16	3,939.96
Short term loans	8,000.00	2,250.00	-
	30,668.80	**9,072.77**	**4,976.31**
Unsecured			
Buyer's credit facilities	294.42	3,392.42	3,423.38
Short term loans	8,700.00	13,700.00	500.00
Commercial papers	-	8,500.00	16,000.00
	8,994.42	**25,592.42**	**19,923.38**
	39,663.22	**34,665.19**	**24,899.69**

Details of security and term of repayment of each type of borrowing as at 31 March 2014:

Buyer's credit facilities :

a) Buyer's credit facilities from DBS Bank Limited Singapore, Standard Chartered Bank, Mauritius, Andhra Bank, the Hongkong and Shanghai Banking Corporation Limited, Mauritius, Bank of Baroda, Sydney and Punjab National Bank, Dubai carrying rate of interest ranging between 0.78% - 2.09% per annum is repayable within 6 months from the date of availment and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

Cash credit facilities :

a) Cash credit facilities from Central Bank of India carries an interest @ 13.25% per annum, is repayable on demand and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

b) Cash credit facilities from Canara Bank carries an interest @ 11.95% per annum, is repayable on demand and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

c) Cash credit facility from Standard Chartered Bank carries an interest @ 12.50% per annum, is repayable on demand and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

d) Cash credit facility from Citibank N.A. carries an interest @ 12.50% per annum, is repayable on demand and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

e) Cash credit facility from DBS Bank Limited carries an interest @ 11.50% per annum, is repayable on demand and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

f) Cash credit facility from Andhra Bank carries an interest @ 12.00% per annum, is repayable on demand and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

g) Cash credit facility from the Hongkong and Shanghai Banking Corporation Limited carries an interest @ 11.00% per annum, is repayable on demand and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

h) Cash credit facility from the State Bank of India carries an interest @ 10.90% per annum, is repayable on demand and is secured by hypothecation of stocks and book debts and further secured by second pari-passu charge on all the fixed assets of the Parent Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

i) Barwood Products Limited (one of the subsidiary of the Parent Company) obtained overdraft facility from The Hongkong and Shanghai Banking Corporation, Plc, London carrying an interest @ 5% per annum. is repayable on demand and is secured by hypothecation of stocks, book debts and fixed assets. Further HSIL Limited, the Parent Company, has given guarantee to secure the same.

j) HHRPL (one of the subsidiary of the Parent Company) obtained the cash credit facility from Central bank of India carries an interest @ base rate plus 2% per annum and is repayable on demand. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets of HHRPL and also secured against a corporate guarantee provided by HSIL Limited, the Parent Company.

k) HHRPL obtained the cash credit facility from Standard Chartered Bank carries an interest @ base rate plus 2% per annum and is repayable on demand. This facility is secured by hypothecation against stocks, goods in transit, receivables and all other current assets of the HHRPL and also secured against a corporate guarantee provided by the Parent Company.

l) HHRPL obtained the cash credit facility from Deutsche Bank carries an interest @ base rate plus 2% per annum and is repayable on demand and also secured against a corporate guarantee provided by the Parent Company.

Short term loans :

a) Short term secured loan from DBS Bank Limited amounting to ₹ 3,500 lacs carrying interest rate of 10.35% per annum repayable by 27 July 2014.

b) Short term secured loan from Central Bank of India Limited amounting to ₹ 4,500 lacs carrying interest rate of 10.25% per annum repayable by 30 April 2014.

Terms of repayment of each type of unsecured short-term borrowing as at 31 March 2014:
Buyer's credit facilities :

a) Buyer's credit facilities from Punjab National Bank, Dubai and Bank of Baroda, Sydney bank carries an interest ranging between 0.78% - 0.89% per annum and are repayable within 6 months from the origination.

Short term loans :

a) Short term loan from HDFC Bank

i) amounting to ₹ 1,000 lacs carries an interest rate of 10.15% per annum is repayable by 6 April 2014.
ii) amounting to ₹ 2,000 lacs carries an interest rate of 10.15% per annum is repayable by 15 April 2014.
iii) amounting to ₹ 1,000 lacs carries an interest rate of 10.15% per annum is repayable by 24 April 2014.
iv) amounting to ₹ 1,000 lacs carries an interest rate of 10.30% per annum is repayable by 14 May 2014.
v) amounting to ₹ 1,000 lacs carries an interest rate of 10.30% per annum is repayable by 18 May 2014.
vi) amounting to ₹ 1,000 lacs carries an interest rate of 10.30% per annum is repayable by 23 May 2014.

b) Short term loan from Bank of Nova Scotia amounting to ₹ 1,700 lacs carries an interest rate of 10.50% per annum and is repayable by 15 April 2014.

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ANNEXURE 13 - REFORMATTED CONSOLIDATED STATEMENT OF TRADE PAYABLES

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
- Due to Micro, Small and Medium Enterprises (refer note 4 of Annexure 5)	8.46	17.92	152.12
- Due to others	15,016.03	16,198.78	12,030.08
Total	**15,024.49**	**16,216.70**	**12,182.20**

ANNEXURE 14 - REFORMATTED CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Current maturities of long term borrowings (refer Annexure 8)	18,392.83	10,088.48	7,373.57
Interest accrued but not due on borrowings	635.83	680.88	478.26
Investor education and protection fund*			
Unclaimed dividends	75.26	66.86	55.23
Unclaimed share fraction 2006	-	0.30	0.30
Unclaimed share fraction 2005	-	-	0.34
Gratuity payable (net of obligation) (refer note 6 of Annexure 5)	8.79	74.73	45.85
Other payables			
Advance from customers	1,383.10	1,597.45	1,484.90
Statutory liabilities	1,261.67	1,177.57	955.70
Payable to employees	1,465.47	1,313.83	1,028.60
Creditor for expenses	3,655.26	3,885.77	3,782.50
Commission payable to directors	974.21	1,143.15	1,643.95
Creditor for capital goods	549.00	614.33	4,523.46
Other liabilities**	9,940.22	8,413.22	6,191.32
Total	**38,341.64**	**29,056.57**	**27,563.98**

** Not due for deposit*

*** Including excise duty payable amounting to ₹ 2,923.99 lacs, ₹ 2,554.03 lacs and ₹ 1,464.69 lacs for the years ended 31 March 2014, 2013 and 2012 respectively on finished goods lying at the Company's bonded warehouses.*

ANNEXURE 15 - REFORMATTED CONSOLIDATED STATEMENT OF SHORT TERM PROVISIONS

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Provision for employee benefits			
Gratuity (refer note 6 of Annexure 5)	0.41	5.23	0.21
Compensated absences (refer note 6 of Annexure 5)	190.78	187.64	150.50
	191.19	**192.87**	**150.71**
Other provisions:			
Provision for income-tax (net of advance tax)	255.31	-	314.67
Proposed equity dividend	1,981.39	1,981.39	1,981.39
Provision for corporate dividend tax	336.74	336.74	321.43
	2,573.44	**2,318.13**	**2,617.49**
Total	**2,764.63**	**2,511.00**	**2,768.20**

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ANNEXURE 16 - REFORMATTED CONSOLIDATED STATEMENT OF TANGIBLE ASSETS

(Amount in ₹ lacs)

Particulars	Freehold land	Leasehold land	Building	Plant and machinery	Vehicles	Office Equipments	Computers (including software)	Furniture and Fixtures	Leasehold improvements	Total
Gross block										
Balance as at 1 April 2011	**26,157.42**	**222.00**	**16,624.47**	**59,320.43**	**1,533.80**	**672.77**	**1,924.53**	**1,345.75**	**1,100.89**	**108,902.06**
Additions	296.54	19.77	2,300.74	4,843.39	1,031.14	175.29	622.05	1,631.92	-	10,920.84
Acquisition through business combinations	258.02	-	467.35	3,021.31	16.80	47.61	5.93	15.70	-	3,832.72
Other adjustments (borrowing cost and foreign exchange fluctuation)	-	-	490.56	1,965.63	-	-	-	-	-	2,456.19
Revaluation (refer note 'c' below)	22,500.00	-	-	-	-	-	-	-	-	22,500.00
Deletions/adjustment				73.61	343.58	1.46	3.10	-	-	421.75
Balance as at 1 April 2012	**49,211.98**	**241.77**	**19,883.12**	**69,077.15**	**2,238.16**	**894.21**	**2,549.41**	**2,993.37**	**1,100.89**	**148,190.06**
Additions	582.20	-	5,922.94	28,564.70	215.60	87.60	176.03	443.30	137.27	36,129.64
Other adjustments (borrowing cost and foreign exchange fluctuation)	-	-	654.64	4,779.65	-	-	-	-	-	5,434.29
Deletions/adjustment	1,275.70	16.77	5.67	8.54	402.86	13.96	4.89	12.96	14.50	1,755.85
Balance as at 1 April 2013	**48,518.48**	**225.00**	**26,455.03**	**102,412.96**	**2,050.90**	**967.85**	**2,720.55**	**3,423.71**	**1,223.66**	**187,998.14**
Additions	1,847.48	10.00	3,690.02	2,325.86	429.80	68.61	166.15	498.17	50.18	9,086.27
Adjustment due to amalgamation (refer note 'd' below)	215.23	-	264.64	(67.11)	(1.38)	(51.77)	(3.86)	(12.53)	(2.42)	340.80
Other adjustments (borrowing cost and foreign exchange fluctuation) (refer note 'a' and 'b' below)	-	-	601.65	3,948.60	-	-	-	-	-	4,550.25
Deletions/adjustment	-	-	19.48	13.20	300.37	61.25	17.66	95.47	10.20	517.63
Balance as at 31 March 2014	**50,581.19**	**235.00**	**30,991.86**	**108,607.11**	**2,178.95**	**923.44**	**2,865.18**	**3,813.88**	**1,261.22**	**201,457.83**
Accumulated depreciation										
Balance as at 1 April 2011	**-**	**4.55**	**2,488.49**	**23,577.06**	**549.23**	**150.24**	**978.90**	**282.12**	**239.45**	**28,270.04**
Additions	-	1.21	461.22	4,783.84	352.00	49.63	376.09	116.27	345.46	6,485.72
Deletions/adjustment	-	-	-	62.44	231.19	0.66	1.95	-	-	296.24
Balance as at 1 April 2012	**-**	**5.76**	**2,949.71**	**28,298.46**	**670.04**	**199.21**	**1,353.04**	**398.39**	**584.91**	**34,459.52**
Additions	-	1.19	665.66	7,466.15	418.11	52.57	499.47	256.69	(59.64)	9,300.20
Deletions/adjustment	-	-	1.74	5.35	249.03	9.09	4.48	3.62	4.83	278.14
Balance as at 1 April 2013	**-**	**6.95**	**3,613.63**	**35,759.26**	**839.12**	**242.69**	**1,848.03**	**651.46**	**520.44**	**43,481.58**
Adjustment due to amalgamation (refer note 'd' below)	-	26.82	9.50	(113.18)	0.39	(2.70)	(3.12)	0.50	(29.07)	(110.86)
Additions	-	4.25	792.24	8,361.10	336.11	64.24	316.06	314.08	127.75	10,315.83
Deletions/adjustment	-	-	3.40	12.09	167.84	40.15	16.06	67.56	6.07	313.17
Balance as at 31 March 2014	**-**	**38.02**	**4,411.97**	**43,995.09**	**1,007.78**	**264.08**	**2,144.91**	**898.48**	**613.05**	**53,373.38**
Net block										
Balance as at 31 March 2014	**50,581.19**	**196.98**	**26,579.89**	**64,612.02**	**1,171.17**	**659.36**	**720.27**	**2,915.40**	**648.17**	**148,084.45**
Balance as at 31 March 2013	**48,518.48**	**218.05**	**22,841.40**	**66,653.70**	**1,211.78**	**725.16**	**872.52**	**2,772.25**	**703.22**	**144,516.56**
Balance as at 31 March 2012	**49,211.98**	**236.01**	**16,933.41**	**40,778.69**	**1,568.12**	**695.00**	**1,196.37**	**2,594.98**	**515.98**	**113,730.54**

a) The borrowing cost capitalised during the year ended 31 March 2013 and 31 March 2012 is ₹ 953.17 lacs and ₹ 29.18 lacs respectively.

b) The premium and foreign exchange loss amounting to ₹ 4,550.25 lacs, ₹ 4,481.12 lacs and ₹ 2,427.01 lacs has been capitalised during the years ended 31 March 2014, 31 March 2013 and 31 March 2012 respectively.

c) Pursuant to the Scheme ('BRR'), the Parent Company has revalued its freehold land by crediting Rs. 22,500.00 lacs to the Business Reconstruction Reserve during the year ended 31 March 2012.

d) As further detailed in note 13 of Annexure 5, this includes impact of revaluation carried out as per the requirement of the Scheme of Amalgamation between HSIL Limited (Transferee Company) and Garden Polymer Private Limited (Transferor Company).

ANNEXURE 17 - REFORMATTED CONSOLIDATED STATEMENT OF INTANGIBLE ASSETS

(Amount in ₹ lacs)

Particulars	Trademarks	Technical know how	Goodwill	Total
Gross block				
Balance as at 1 April 2011	**300.00**	**207.30**	**347.79**	**855.09**
Additions	-	-	5,436.23	5,436.23
Balance as at 1 April 2012	**300.00**	**207.30**	**5,784.02**	**6,291.32**
Additions	46.71	**-**	**-**	46.71
Deletions/adjustment	35.87	**-**	**-**	35.87
Balance as at 1 April 2013	**310.84**	**207.30**	**5,784.02**	**6,302.16**
Additions	5.55	-	-	5.55
Adjustment due to amalgamation (refer note 'a' below)	-	-	4,715.91	4,715.91
Deletions/adjustment	5.55	-	5,436.35	5,441.90
Balance as at 31 March 2014	**310.84**	**207.30**	**5,063.58**	**5,581.72**
Accumulated amortisation				
Balance as at 1 April 2011	**300.00**	**19.03**	**0.12**	**319.15**
Additions	-	20.73	0.11	20.84
Balance as at 1 April 2012	**300.00**	**39.76**	**0.23**	**339.99**
Additions	**-**	21.05	**-**	21.05
Balance as at 1 April 2013	**300.00**	**60.81**	**0.23**	**361.04**
Adjustment due to amalgamation (refer note 'a' below)	-	-	673.70	673.70
Additions	-	22.29	673.70	695.99
Deletions/adjustment	-	0.12	-	0.12
Balance as at 31 March 2014	**300.00**	**82.98**	**1,347.63**	**1,730.61**
Net block				
Balance as at 31 March 2014	**10.84**	**124.32**	**3,715.95**	**3,851.11**
Balance as at 31 March 2013	**10.84**	**146.49**	**5,783.79**	**5,941.12**
Balance as at 31 March 2012	**-**	**167.54**	**5,783.79**	**5,951.33**

a) As further detailed in note 13 of Annexure 5, this includes impact of revaluation carried out as per the requirement of the Scheme of Amalgamation between HSIL Limited (Transferee Company) and Garden Polymer Private Limited (Transferor Company).

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ANNEXURE 18- REFORMATTED CONSOLIDATED STATEMENT OF NON-CURRENT INVESTMENTS

(Amount in ₹ lacs)

Particulars	As at 31 March					
	No. of Share	2014	No. of Share	2013	No. of Share	2012
Trade investments (valued at cost unless stated otherwise)						
Equity shares (unquoted)						
Equity shares of ₹ 10 each fully paid-up in Andhra Pradesh Gas Power Corporation Limited	804,000	1,073.61	804,000	1,073.61	804,000	1,073.61
Equity shares of ₹ 10 each fully paid-up in Indian Plumbing Skills Council	60,000	6.00	30,000	3.00	-	-
Equity shares of ₹ 25 each fully paid-up in Shamrao Vithal Co-op Bank Ltd.	-	-	-	-	20,100	5.03
		1,079.61		**1,076.61**		**1,078.64**
Non-trade investments (valued at cost unless stated otherwise)						
Government securities (unquoted)						
National Savings Certificates*		2.11		2.11		1.92
Equity shares (quoted)						
Equity shares of ₹ 10 each fully paid in Neycer India Limited	125	0.01	125	0.01	125	0.01
Equity shares of ₹ 10 each fully paid in Swastik Sanitarywares Limited	50	0.01	50	0.01	50	0.01
		2.13		**2.13**		**1.94**
		1,081.74		**1,078.74**		**1,080.58**
Aggregate amount of quoted investments (market value ₹ 0.02 lacs for each of the years ended 31 March 2014, 31 March 2013 and 31 March 2012)		0.02		0.02		0.02
Aggregate amount of unquoted investment		1,081.72		1,078.72		1,080.56
**Deposited with government authority*		2.11		2.11		1.92

ANNEXURE 19 - REFORMATTED CONSOLIDATED STATEMENT OF LONG TERM LOANS AND ADVANCES

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
(Considered good)			
Capital advances - secured	3,158.15	3,346.84	3,789.02
Security deposits - unsecured	1,706.62	1,606.84	2,140.96
Other loans and advances - unsecured			
Prepaid expenses	28.51	85.96	163.88
Others	580.03	296.00	120.51
	5,473.31	**5,335.64**	**6,214.37**

ANNEXURE 20 - REFORMATTED CONSOLIDATED STATEMENT OF OTHER NON-CURRENT ASSETS

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Fixed deposits with original maturity of more than twelve months**	190.72	130.98	693.44
Interest accrued but not due on deposits	5.04	46.70	27.48
Others	-	8.24	9.68
Preliminary expenses(to the extent not written off)			0.06
	195.76	**185.92**	**730.66**

*** Includes margin money deposits amounting to ₹ 190.72 lacs, ₹ 130.98 lacs and ₹ 693.44 lacs pledged against various bank guarantees/letter of credit issued by banks on behalf of the Group fas at years ended 31 March 2014, 31 March 2013 and 31 March 2012 respectively.*

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ANNEXURE 21- REFORMATTED CONSOLIDATED STATEMENT OF CURRENT INVESTMENTS

(Amount in ₹ lacs)

Particulars	As at 31 March					
	No. of Share	2014	No. of Share	2013	No. of Share	2012
Mutual funds (non trade, unquoted)						
(Valued at lower of cost or net realisable value)						
Units of ₹ 10 each fully paid in Reliance liquidfund-Treasury Growth Plan	-	-	-	-	105,576.98	26.61
Units of ₹ 10 each fully paid in HDFC Prudence Fund - Growth	2,424.42	4.15	2,483.57	4.26	2,573.41	4.41
	2,424.42	**4.15**	**2,483.57**	**4.26**	**108,150.39**	**31.02**
Aggregate amount of unquoted investments		4.15		4.26		31.02

ANNEXURE 22- REFORMATTED CONSOLIDATED STATEMENT OF INVENTORIES

(Amount in ₹ lacs)

Particulars	As at 31 March					
		2014		2013		2012
(As taken, valued and certified by the management)						
Raw materials and components		3,051.00		3,378.01		3,545.11
Work-in-progress		1,510.68		1,314.41		1,216.84
Finished goods (including traded goods)		36,009.51		31,505.49		20,339.49
Stores and spares	2,446.22		2,491.26		2,876.85	
Add: Goods in transit	69.80	2,516.02	423.94	2,915.20	62.03	2,938.88
Loose tools		10.07		14.47		18.57
Packing material		854.43		769.61		734.77
Oils, fuels & lubricants and others		481.46		770.70		1,798.88
		44,433.17		**40,667.89**		**30,592.54**

ANNEXURE 23- REFORMATTED CONSOLIDATED STATEMENT OF TRADE RECEIVABLES

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
(Unsecured, unless otherwise stated)			
Debts outstanding for a period exceeding six months from the date they are due for payment:			
Considered good			
- Secured	47.66	27.58	33.33
- Unsecured	556.80	390.30	480.30
Considered doubtful	948.24	490.52	232.13
	1,552.70	**908.40**	**745.76**
Less: Provision for doubtful debts	948.24	490.52	232.13
	604.46	**417.88**	**513.63**
Other debts			
Considered good	40,811.42	38,053.96	23,483.08
Considered good, secured	500.59	460.89	399.86
	41,312.01	**38,514.85**	**23,882.94**
Total	**41,916.47**	**38,932.73**	**24,396.57**

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ANNEXURE 24 - REFORMATTED CONSOLIDATED STATEMENT OF CASH AND BANK BALANCE

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Cash and cash equivalents			
Balance with banks in current accounts	939.29	483.02	317.42
Fixed deposits with original maturity of less than 3 months	3,100.00	5,450.00	5,475.00
Cheques in hand	766.03	844.37	0.62
Cash in hand	159.65	167.24	127.69
Remittance in transit	525.29	710.84	1,115.40
	5,490.26	**7,655.47**	**7,036.13**
Earmarked balances with banks			
Unclaimed dividend accounts	75.26	66.86	55.23
Unclaimed bonus fraction accounts	-	-	0.34
Unclaimed share fraction account	-	0.30	0.30
Other bank balances			
Held as margin money in fixed deposits	453.05	471.96	230.26
Fixed deposits with original maturity of more than 3 months but less than twelve months	10.71	2.07	26.35
Total	**6,029.28**	**8,196.66**	**7,348.61**

ANNEXURE 25 - REFORMATTED CONSOLIDATED STATEMENT OF SHORT TERM LOANS AND ADVANCES

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Unsecured, considered good			
Advances recoverable in cash or in kind or for value to be received	644.77	582.45	695.73
Advances to suppliers	1,329.16	775.90	2,019.48
Balances with excise, sales tax and other authorities	1,473.51	1,772.71	1,570.06
MAT credit entitlement	757.92	2,471.46	-
Advance income-tax (net of provision)	-	180.32	-
	4,205.36	**5,782.84**	**4,285.27**
Unsecured, considered doubtful			
Advances recoverable in cash or in kind or for value to be received	51.97	119.30	125.22
Less : Provision for doubtful loans and advances	51.97	119.30	125.22
	-	**-**	**-**
	4,205.36	**5,782.84**	**4,285.27**

ANNEXURE 26 - REFORMATTED CONSOLIDATED STATEMENT OF OTHER CURRENT ASSET

(Amount in ₹ lacs)

Particulars	As at 31 March		
	2014	2013	2012
Interest accrued but not due on deposits	194.41	134.15	108.45
	194.41	**134.15**	**108.45**

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ANNEXURE 27 - REFORMATTED CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Sales of products			
Finished goods	196,677.14	187,761.07	154,928.64
Other operating income			
Export incentives	333.89	81.65	282.39
Sundry balances and liabilities no longer required, written back	267.34	509.83	176.12
Gain on foreign exchange fluctuations	295.03	395.95	346.85
Maintenance service income	39.39	66.59	69.21
Insurance claims received	507.15	421.40	157.48
Scrap sales	358.10	403.82	351.40
Provision for doubtful debts written back	-	-	4.39
Miscellaneous income	1,230.41	580.16	336.71
	199,708.45	**190,220.47**	**156,653.19**

ANNEXURE 28 - REFORMATTED CONSOLIDATED STATEMENT OF OTHER INCOME

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Rent received	42.24	37.66	51.13
Dividend on investments	-	0.60	75.70
Interest received from			
Loans to bodies corporate	0.96	2.82	3.87
Deposits with banks	188.40	84.44	73.71
Margin money with banks	9.11	53.81	43.47
Other accounts	3.70	57.57	36.47
Gain on disposal of fixed assets	19.33	97.48	204.00
Sundry balances and liabilities no longer required, written back	5.00	26.00	8.50
Gain on sale of current investments	25.76	14.26	9.31
Miscellaneous income	86.70	8.75	2.00
	381.20	**383.39**	**508.16**

ANNEXURE 29 - REFORMATTED CONSOLIDATED STATEMENT OF COST OF MATERIAL CONSUMED

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Detail of raw materials and components consumed			
Clay	1,362.52	1,498.25	1,280.84
Soda ash	9,914.75	12,681.26	8,406.08
Culets	6,872.15	5,183.21	3,817.45
Quartz/feldspar	1,743.34	1,748.31	1,848.79
Others	13,829.90	13,159.61	10,781.91
	33,722.66	**34,270.64**	**26,135.07**
Closing stock of raw material and components			
Clay	128.76	135.62	124.12
Soda ash	197.48	1,012.79	1,632.41
Culets	685.85	702.41	465.16
Quartz/feldspar	54.24	97.77	78.88
Others	1,984.67	1,429.42	1,244.54
	3,051.00	**3,378.01**	**3,545.11**

ANNEXURE 30 - REFORMATTED CONSOLIDATED STATEMENT OF PURCHASE OF STOCK IN TRADE

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Furniture and home furnishings	5,522.05	5,920.53	4,557.11
Sanitaryware and others allied products	29,818.27	22,702.87	21,274.04
	35,340.32	**28,623.40**	**25,831.15**

ANNEXURE 31 - REFORMATTED CONSOLIDATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND TRADED GOODS

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Opening stock			
Work-in-progress	1,314.41	1,216.84	760.10
Finished goods	31,505.49	20,339.49	15,770.21
Add: Stock received pursuant to purchase of Garden Polymers Private Limited	-	-	249.78
	32,819.90	21,556.33	16,780.09
Less: Closing stock			
Work-in-progress	1,510.68	1,314.41	1,216.84
Finished goods	36,009.51	31,505.49	20,339.49
	37,520.19	32,819.90	21,556.33
Change in stocks	**4,700.29**	**11,263.57**	**4,776.24**
Excise duty on opening stock	2,579.43	1,354.40	1,137.27
Stock transferred from capital work-in-progress to finished goods on account of capitalisation of new furnace in glass division	-	(1,422.85)	-
Less : Excise duty on closing goods	2,969.05	2,579.43	1,354.40
Change in excise duty on finished goods	**389.62**	**2,647.88**	**217.13**
	(4,310.67)	**(8,615.69)**	**(4,559.11)**

ANNEXURE 32 - REFORMATTED CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSES

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Salaries, wages and bonus	17,154.45	16,693.57	14,545.44
Contribution to provident and other funds	905.03	792.04	744.82
Staff welfare expenses	784.34	736.65	616.60
	18,843.82	**18,222.26**	**15,906.86**

ANNEXURE 33 - REFORMATTED CONSOLIDATED STATEMENT OF OTHER EXPENSES

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Power and fuel	37,701.70	40,367.26	27,658.88
Stores and spares consumed	3,809.86	3,909.00	3,572.79
Packing material consumed	8,790.09	8,424.21	6,940.42
Loose tools consumed	58.13	73.55	58.19
Oil, fuel and lubricants consumed	321.74	387.64	229.53
Repairs and maintenance:			
Buildings	268.81	311.78	267.24
Plant and machinery	924.55	940.45	737.26
Other assets	372.44	317.54	301.94
Rent (including hire charges)	2,347.07	2,208.49	1,672.05
Rates and taxes	478.84	564.45	392.49
Directors sitting fees	2.48	1.15	1.13
Expenditure on ceramic and applied research centre	68.85	57.28	42.86
Insurance	519.43	429.49	340.00
Travelling and conveyance	1,931.21	1,987.75	1,770.53
Discounts	3,868.81	3,577.99	2,717.16
Commission on sales	892.62	693.98	301.37
Freight and forwarding charges - exports	676.56	1,055.84	826.07
Advertisement and publicity	2,090.46	2,302.32	1,114.81
Other selling and distribution expenses	7,169.40	6,648.76	6,019.37
Provision for doubtful debts and advances	466.27	159.26	138.81
Bad debts written off	8.41	36.95	5.37
Charity and donation	5.54	62.18	61.31
Loss on foreign exchange fluctuation	1,146.27	586.41	440.94
Loss on sale of current investments	-	-	24.82
Loss on sale of fixed assets	29.05	4.28	16.64
Installation expenses	548.81	374.37	312.86
Miscellaneous expenses	2,396.02	2,274.65	2,021.07
	76,893.42	**77,757.03**	**57,985.91**

ANNEXURE 34 - REFORMATTED CONSOLIDATED STATEMENT OF FINANCE COST

(Amount in ₹ lacs)

Particulars	For the year ended		
	31 March 2014	31 March 2013	31 March 2012
Interest on:			
Fixed period loan	3,701.25	3,884.70	3,554.67
Others	3,234.78	2,985.72	593.43
Other borrowing costs	241.87	68.65	47.12
	7,177.90	**6,939.07**	**4,195.22**

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ANNEXURE 35 - REFORMATTED CONSOLIDATED STATEMENT OF SEGMENTS

Identification of segment:

The Group's operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has accordingly identified two primary business segments i.e. building products and packaging products.

The activities of the Group are primarily limited within Indian territories having no variation in risk and returns. Consequently, information in respect of geographical segment is not given.

Unallocated items:

The corporate and other segment includes general corporate income and expense items, which are not allocated to any business segment.
Information about primary business segments is given as follows:

(Amount in ₹ lacs)

PARTICULARS	Building products division			Packaging product division			Others			Year ended		
	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12	2013-14	2012-13	2011-12	31 March 2014	31 March 2013	31 March 2012
Segment revenue												
External sales (net)	86,334.61	73,106.50	61,193.39	85,191.38	81,755.56	70,956.15	11,263.38	18,806.03	12,407.54	182,789.37	173,668.09	144,557.08
Other income	1,767.01	1,548.71	951.78	1,197.61	802.55	696.69	66.69	108.14	76.08	3,031.31	2,459.40	1,724.55
Segment results	18,280.03	13,578.97	12,218.33	991.06	7,132.10	10,863.67	(1,786.01)	(804.92)	(1,066.86)	17,485.08	19,906.15	22,015.14
Exceptional items	-	-	-	-	-	-	-	-	-	-	2,366.30	-
Unallocated corporate expenses (net)	-	-	-	-	-	-	-	-	-	2,784.57	2,974.16	3,031.80
Interest	-	-	-	-	-	-	-	-	-	7,177.90	6,939.07	4,195.22
Income tax (including deferred tax)	-	-	-	-	-	-	-	-	-	4,124.51	4,154.33	5,433.35
Profit after tax	-	-	-	-	-	-	-	-	-	3,398.10	8,204.89	9,354.77
Other information												
Segment assets	102,900.10	87,228.83	72,957.24	148,622.29	138,845.54	128,912.45	(2,255.02)	3,185.52	2,681.58	249,267.37	229,259.89	204,551.27
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	18,148.70	27,735.91	23,246.57
Total assets	-	-	-	-	-	-	-	-	-	267,416.07	256,995.80	227,797.84
Segment liabilities	40,022.00	36,514.78	27,401.07	108,604.40	101,988.11	91,466.61	6,255.96	8,602.57	6,327.85	154,882.36	147,105.46	125,195.53
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	9,704.43	7,262.29	5,862.84
Total liability	-	-	-	-	-	-	-	-	-	164,586.79	154,367.75	131,058.37
Capital expenditure	5,249.27	3,503.78	5,864.14	7,501.44	37,147.84	4,904.38	891.36	959.02	11,877.46	13,642.07	41,610.64	22,645.98
Depreciation and amortisation	1,421.73	1,415.51	1,158.79	8,793.71	6,716.87	4,244.74	796.38	1,188.87	1,103.03	11,011.82	9,321.25	6,506.56
Other non-cash expenses												
Provision for doubtful debts and advances	-	-	-	-	-	-	-	-	-	466.27	159.26	138.81
Preliminary expenditure written off	-	-	-	-	-	-	-	-	-	-	0.06	0.06
Unrealised foreign exchange (gain)/loss	-	-	-	-	-	-	-	-	-	(11.65)	4.98	(11.21)
Loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	29.05	4.28	16.64

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ANNEXURE 36 - REFORMATTED CONSOLIDATED STATEMENT OF RELATED PARTY TRANSACTIONS AND BALANCES

Disclosure as required by the notifird Accounting Standard – 18 on "Related Party Disclosures" are given below:

a) List of related parties

Relationship	**Name of related party**
Key Management Personnel (KMP)	Rajendra K Somany (Father) Sandip Somany (Son) Sumita Somany (wife of Sandip Somany)
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the Company.	Textool Mercantile Private Limited Paco Export Limited New Delhi Industrial Promotors and Investors Limited Soma Investments Limited Jugmug Projects Limited

b) Summary of related party transactions-

(Amount in ₹ lacs)

	Particulars	**Key management personnel and their relatives**			**Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company**		
		31 March 2014	**31 March 2013**	**31 March 2012**	**31 March 2014**	**31 March 2013**	**31 March 2012**
A	**Transactions during the year**						
a)	**Rent paid**						
	Rajendra K Somany	4.80	4.80	4.80	-	-	-
	Textool Mercantile Private Limited	-	-	-	0.73	0.50	0.50
	Paco Export Limited	-	-	-	18.48	17.78	16.80
b)	**Rent income**						
	Soma Investments Limited	-	-	-	0.01	0.01	-
	New Delhi Industrial Promotors & Investors Limited	-	-	-	0.01	0.01	-
	Paco Exports Limited	-	-	-	0.01	0.01	-
c)	**Sale of shares held in subsidiary**						
	Jugmug Projects Limited	-	-	-	-	4,195.27	-
d)	**Director's remuneration**						
	Rajendra K Somany	573.49	649.41	876.21	-	-	-
	Sandip Somany	573.49	636.41	826.36	-	-	-
	Sumita Somany	40.39	30.80	23.79			
B	**Balance outstanding at the year end**						
a)	**Remuneration payable**						
	Rajendra K Somany	390.76	493.74	724.80	-	-	-
	Sandip Somany	437.75	519.53	724.80	-	-	-

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Review Report

To the Board of Directors of HSIL Limited

1. We have reviewed the accompanying interim condensed financial statements of HSIL Limited (the "Company") which comprise the Condensed Balance Sheet as at 30 September 2014, Condensed Statement of Profit and loss and Condensed Statement of Cash Flow for the six months period then ended and explanatory notes to interim condensed financial statements for the six months ended 30 September 2014 (collectively, the "Interim Condensed September Financial Statements"). These Interim Condensed Financial Statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these Interim Condensed Financial Statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Financial Statements are not prepared, in all material respects, in accordance with Accounting Standard 25, "Interim Financial Reporting", as notified under the Companies (Accounting Standard) Rules, 2006, read with Rule 7 of the Companies (Accounts) Rules, 2014, is respect of section 133 of the Companies Act, 2013.

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

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

Place: Gurgaon
Date: 9 March 2015

HSIL LIMITED

Condensed Balance Sheet as at 30 September 2014

(Amount in ₹ lacs)

Particulars	Notes	As at 30 September 2014	As at 31 March 2014
Equity and liabilities			
Shareholders' fund			
Share capital	4	1,320.97	1,320.97
Reserves and surplus	5	113,824.39	110,826.69
		115,145.36	**112,147.66**
Non-current liabilities			
Long-term borrowings	6	45,358.83	54,731.89
Deferred tax liabilities (net)	7	11,032.44	11,540.40
Other long term liabilities	8	1,690.27	1,543.77
Long-term provisions	9	481.26	422.11
		58,562.80	**68,238.17**
Current liabilities			
Short-term borrowings	10	43,854.83	37,234.54
Trade payables	11	12,146.82	13,710.00
Other current liabilities	12	41,209.49	36,385.21
Short-term provisions	13	181.58	2,762.91
		97,392.72	**90,092.66**
Total		**271,100.88**	**270,478.49**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	14	154,191.25	145,230.39
Intangible assets	14	3,144.57	3,492.71
Capital work-in-progress		3,517.42	11,930.95
		160,853.24	**160,654.05**
Non-current investments	15	14,389.30	13,274.00
Long-term loans and advances	16	4,391.38	4,980.25
Other non-current assets	17	139.47	169.50
		179,773.39	**179,077.80**
Current assets			
Inventories	18	47,448.95	40,573.00
Trade receivables	19	34,230.72	40,937.84
Cash and bank balances	20	3,649.58	5,846.90
Short-term loans and advances	21	5,843.70	3,848.54
Other current assets	22	154.54	194.41
		91,327.49	**91,400.69**
Total		**271,100.88**	**270,478.49**

Notes 1 to 34 form an integral part of these Interim Condensed Financial Statements

For and on behalf of the Corporate Affairs Committee
HSIL Limited

R.B. Kabra
President- Building Products Division

This is the Condensed Balance Sheet referred to in our report of even date.

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

Place : Gurgaon
Date : 9 March 2015

per **Lalit Kumar**
Partner

HSIL LIMITED

Condensed Statement of Profit and Loss for six-months ended 30 September 2014

(Amount in ₹ lacs)

Particulars	Notes	Six months ended 30 September 2014	Six months ended 30 September 2013
Income			
Income from operations (gross)	23	89,613.37	81,150.57
Less: Excise duty		6,015.49	6,059.43
Income from operations (net)		83,597.88	75,091.14
Other income	24	232.18	221.00
		83,830.06	**75,312.14**
Expenses			
Cost of raw materials consumed	25	17,032.72	14,296.82
Purchases of traded goods	26	15,921.27	12,115.98
Changes in inventories of finished goods and work-in-progress	27	(4,693.45)	(6,342.16)
Employee benefits expense	28	9,059.93	7,778.89
Other expenses	29	32,155.66	37,172.41
		69,476.13	**65,021.94**
Net profit before depreciation and amortisation, finance costs and tax expense		**14,353.93**	**10,290.20**
Depreciation and amortisation expense	14	5,658.41	4,508.83
Finance costs	30	3,599.15	3,158.19
Net profit before tax		**5,096.37**	**2,623.18**
Tax expense			
Current period		1,988.37	1,239.60
Deferred tax		(297.83)	(121.36)
Net profit for the period		**3,405.83**	**1,504.94**
Earnings per equity share (₹)	31		
Basic and diluted earning per share		**5.16**	**2.28**

Notes 1 to 34 form an integral part of these Interim Condensed Financial Statements

For and on behalf of the Corporate Affairs Committee
HSIL Limited

R.B. Kabra
President- Building Products Division

This is the Condensed Statement of Profit and Loss referred to in our report of even date.

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

Place : Gurgaon
Date : 9 March 2015

per **Lalit Kumar**
Partner

HSIL LIMITED

Condensed Statement of Cash Flow for six-months ended 30 September 2014

(Amount in ₹ lacs)

	Six months ended 30 September 2014	Six months ended 30 September 2013
A. Cash flow from operating activities		
Net profit before tax	5,096.37	2,623.18
Adjustments for:		
Depreciation and amortisation	5,658.41	4,508.83
Gain on disposal of fixed assets	(5.35)	(2.97)
Loss on disposal of fixed assets	0.58	0.14
Finance costs	3,599.15	3,158.19
Interest income	(180.55)	(177.47)
Gain on sale of current investments	(1.14)	(17.93)
Bad debts and provision for doubtful debts and advances	185.40	34.49
Sundry balances and liabilities no longer required written back	(234.90)	(11.12)
Operating profit before working capital changes	**14,117.97**	**10,115.34**
Adjustments for :		
Increase in inventories	(6,875.95)	(6,846.09)
Decrease in trade/other receivables	4,758.42	8,463.72
Increase in trade/other payables	1,051.54	933.45
Cash generated from operations	**13,051.98**	**12,666.42**
Direct taxes paid	(1,600.00)	(450.00)
Net cash from operating activities	**11,451.98**	**12,216.42**
B. Cash flow from investing activities		
Purchase of fixed assets including capital work in progress	(4,711.76)	(7,449.96)
Proceeds from sale of fixed assets	60.63	91.01
Purchase of investments	(2,765.30)	(10,345.46)
Sale proceeds of investments	1,651.14	7,507.59
Movement in restricted cash	(47.33)	29.02
Interest received	219.09	234.46
Net cash used in investing activities	**(5,593.53)**	**(9,933.34)**
C. Cash flow from financing activities		
Proceeds from long term borrowings	469.47	7,060.73
Repayment of long term borrowings	(9,306.43)	(4,828.00)
Movement in short term borrowings (net)	6,620.30	(1,139.00)
Interest paid	(3,614.66)	(3,113.77)
Dividend paid	(1,935.04)	(9.39)
Taxes on dividend paid	(336.74)	-
Net cash used in financing activities	**(8,103.10)**	**(2,029.43)**
Net (decrease)/increase in cash and cash equivalents	(2,244.65)	253.65
Cash and cash equivalents at the beginning of the period	5,318.59	7,379.95
Cash and cash equivalents at the end of the period	**3,073.94**	**7,633.60**

HSIL LIMITED

Condensed Statement of Cash Flow for six-months ended 30 September 2014

(Amount in ₹ lacs)

Note:		
Cash and bank balances include		
Cash, cheques in hand, remittances in transit and fixed deposits	2,773.62	7,219.85
Balance with banks in current accounts	300.32	413.75
Cash and cash equivalents	**3,073.94**	**7,633.60**
Balances in fixed deposit accounts - pledged	454.03	454.05
Balances in unclaimed dividend accounts	121.61	57.47
Other bank balances	**575.64**	**511.52**
Cash and bank balances	**3,649.58**	**8,145.12**

Notes 1 to 34 form an integral part of these Interim Condensed Financial Statements

For and on behalf of the Corporate Affairs Committee
HSIL Limited

R.B. Kabra
President- Building Products Division

This is the Condensed Statement of Cashflow referred to in our report of even date.

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

Place : Gurgaon
Date : 9 March 2015

per **Lalit Kumar**
Partner

HSIL LIMITED

Explanatory notes to Interim Condensed Financial Statements for the six-months ended 30 September 2014

1 Basis of preparation

The Condensed Balance Sheet of HSIL Limited (the "Company") as at 30 September 2014, the Condensed Statement of Profit and Loss and the Condensed Statement of Cash Flow for the six months period ended 30 September 2014 alongwith the explanatory notes (collectively referred to as "Interim Condensed Financial Statements") have been prepared and presented under the historical convention on the accrual basis of accounting in accordance with the generally accepted accounting principles in India ("Indian GAAP"). The accounting policies used to prepare the Interim Condensed Financial Statements for the six months ended 30 September 2014 are the same as those used to prepare the annual financial statements for the year ended 31 March 2014.

2 Use of estimates

In preparing the Company's Interim Condensed Financial Statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the Interim Condensed Financial Statements and reported amounts of revenues and expenses during the reported period. Although these estimates are based on the management's best knowledge of current events and actions, actual results could differ from those estimates. Significant estimates used by the management in preparation of these Interim Condensed Financial Statements includes estimates of the economic useful lives of the fixed assets, provision for doubtful debts and advances and accrual for employee benefits.

3 Significant accounting policies

The Interim Condensed Financial Statements for six-months ended 30 September 2014 are prepared in accordance with the Accounting Standard 25 'Interim Financial Reporting', prescribed by the Companies (Accounting Standard) Rules, 2006. These Interim Condensed Financial Statements include selected explanatory notes and hence does not include all disclosures as regards for a complete set of financial statements. The accounting policies used to prepare the Interim Condensed Financial Statements for six-months ended 30 September 2014 are the same as those used to prepare the annual financial statements for the year ended 31 March 2014.

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4 SHARE CAPITAL

(Amount in ₹ lacs)

Particulars	As at 30 Sepember 2014		As at 31 March 2014	
	Number	Amount	Number	Amount
Share capital				
Authorised				
Equity shares of ₹ 2 each	111,250,000	2,225.00	100,000,000	2,000.00
Equity shares of ₹ 1,000 each			20,000	200.00
Preference shares of ₹ 1,000 each			2,500	25.00
Total		2,225.00		2,225.00
Issued				
Equity shares of ₹ 2 each	66,050,220	1,321.00	66,050,220	1,321.00
Total		1,321.00		1,321.00
Subscribed and paid up				
Equity shares of ₹ 2 each fully paid up	66,046,395	1,320.93	66,046,395	1,320.93
Add : Forfeited shares		0.04		0.04
Total		**1,320.97**		**1,320.97**

(a) Reconciliation of share outstanding at the beginning and at the end of reporting period

(Amount in ₹ lacs)

Particulars	Number	Amount	Number	Amount
Equity shares outstanding at the beginning/end of the period	66,046,395	1,320.93	66,046,395	1,320.93

(b) Terms and rights attached to equity shares

The Company has issued only one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company has not declared any interim dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) List of shareholders holding more than 5% of the equity share capital of the Company at:

	30 September 2014		31 March 2014	
	Number	% of holding	Number	% of holding
Paco Exports Limited	20,664,530	31.29	20,664,530	31.29
Soma Investments Limited	4,000,000	6.06	4,000,000	6.06
New Delhi Industrial Promoters & Investors Limited	3,650,000	5.53	3,650,000	5.53
Reliance Capital Trustee Co. Ltd. A/c Reliance Growth Fund	3,828,744	5.80	-	-

** Information is furnished as per shareholder register as at the period end.*

(d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

(e) The above figure of subscribed and paid up capital includes application and allotment money received on forfeited shares amounting to ₹ 0.04 lacs.

5 RESERVES AND SURPLUS

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
a. Capital reserves		
Balance as at beginning/end of the period	120.80	120.80
b. Capital redemption reserve		
Balance as at beginning/end of the period	15.00	15.00
c. Securities premium account		
Balance as at beginning/end of the period	21,144.82	21,144.82
d. Central subsidy reserve*		
Balance as at beginning/end of the period	25.00	25.00
e. Business reconstruction reserve		
Balance as at beginning/end of the period	32,267.37	32,267.37
f. General reserve**		
Opening balance	22,903.64	20,903.64
Add: Transfer from surplus in the condensed statement of profit and loss for the period	-	2,000.00
Closing balance	**22,903.64**	**22,903.64**
g. Surplus in the statement of profit and loss		
Opening balance	34,350.04	33,120.07
Add: Net profit for the current period	3,405.83	5,619.97
Less: Adjustment of depreciation and amortisation, net of deferred tax *(refer note 14)*	(408.11)	-
Less: Adjustments on account of merger	-	(71.85)
Appropriations :		
Proposed equity dividend	-	(1,981.39)
Corporate dividend tax	-	(336.74)
Transfer to general reserve	-	(2,000.00)
Closing balance	**37,347.76**	**34,350.06**
	113,824.39	**110,826.69**

** Central subsidy reserve was created for subsidy received from Government to install diesel generator sets.*

*** General reserve includes ₹ 10,000 lacs transferred from Business Reconstruction Reserve which cannot be used for issue of bonus shares and payment of dividend.*

6 LONG TERM BORROWINGS

(Amount in ₹ lacs)

Particulars	**As at 30 September 2014**	**As at 31 March 2014**
Secured		
Term loans from banks		
Foreign currency loans	33,944.44	42,311.48
Rupee loans	6,608.04	7,540.14
Total	**40,552.48**	**49,851.62**
Unsecured		
Deferred payment liabilities	4,806.35	4,880.27
	4,806.35	**4,880.27**
	45,358.83	**54,731.89**

7 DEFERRED TAX ASSETS/LIABILITIES (NET)

(Amount in ₹ lacs)

Particulars	**As at 30 September 2014**	**As at 31 March 2014**
Deferred tax liability arising on account of:		
Depreciation and amortisation	13,712.23	15,435.53
	13,712.23	**15,435.53**
Deferred tax asset arising on account of:		
Provision for doubtful debts and loans and advances	297.83	329.03
Employee benefits	-	210.84
Foreign exchange adjustments on external commercial borrowings	2,381.96	3,345.24
Others	-	10.02
	2,679.79	**3,895.13**
	11,032.44	**11,540.40**

8 OTHER LONG TERM LIABILITIES

(Amount in ₹ lacs)

Particulars	**As at 30 September 2014**	**As at 31 March 2014**
Trade deposits from dealers	1,487.66	1,342.75
Others		
Earnest money deposits	4.46	4.56
Vehicle loan deposits from employees	127.05	120.46
Security deposits/retention money payable	65.87	70.80
Other liabilities	5.23	5.20
	1,690.27	**1,543.77**

9 LONG TERM PROVISIONS

(Amount in ₹ lacs)

Particulars	**As at 30 September 2014**	**As at 31 March 2014**
Provision for employee benefits		
Compensated absences	481.26	422.11
	481.26	**422.11**

10 SHORT TERM BORROWINGS

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
Secured		
Cash credit facilities	8,746.29	17,548.13
Short term loans	3,200.00	8,000.00
Buyer's credit facilities	1,292.86	2,691.99
	13,239.15	**28,240.12**
Unsecured		
Buyer's credit facilities	1,791.18	294.42
Short term loans	8,824.50	8,700.00
Commercial papers	20,000.00	-
	30,615.68	**8,994.42**
	43,854.83	**37,234.54**

11 TRADE PAYABLES

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
- Due to Micro, Small and Medium Enterprises	-	8.46
- Due to others	12,146.82	13,701.54
	12,146.82	**13,710.00**

12 OTHER CURRENT LIABILITIES

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
Current maturities of long term borrowings	20,087.53	17,876.36
Interest accrued but not due on loans	620.32	635.83
Investor education and protection fund*		
- Unclaimed dividends	121.61	75.26
Gratuity payable (net of obligation)	15.00	8.79
Other payables		
Advance from customers	829.45	1,155.19
Statutory liabilities	2,028.25	1,113.44
Payable to employees	987.59	1,285.61
Creditor for expenses	2,750.12	3,133.19
Commission payable to directors	523.15	974.21
Creditor for capital goods	885.80	474.19
Other liabilities**	12,360.67	9,653.14
	41,209.49	**36,385.21**

** Not due for deposit*
*** Including excise duty payable ₹ 3,690.87 lacs (previous period ₹ 3,335.66 lacs) on finished goods lying at the Company's bonded warehouses.*

13 SHORT TERM PROVISIONS

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
Provision for employee benefits		
Compensated absences	181.58	189.47
	181.58	189.47
Other provisions:		
Provision for income-tax (net of advance tax)	-	255.31
Proposed equity dividend	-	1,981.39
Provision for corporate dividend tax	-	336.74
	-	2,573.44
	181.58	**2,762.91**

HSIL LIMITED
Explanatory notes to Interim Condensed Financial Statements for the six-months ended 30 September 2014

14 FIXED ASSETS

Tangible assets

(Amount in ₹ lacs)

	Land freehold	Leasehold land	Building	Plant and machinery	Vehicles	Office equipments	Computers (including software)	Furniture and fixtures	Leasehold improvements	Total
Gross block										
As at 1 April 2013	48,260.47	225.00	25,963.13	98,831.19	2,004.46	583.46	2,339.20	1,484.87	10.44	179,702.22
Additions during the year	1,847.48	10.00	3,709.33	2,277.39	429.80	31.88	115.81	182.17	-	8,603.86
Opening balance of transferor company	473.25	42.57	775.12	4,933.36	11.70	43.88	35.26	8.99	-	6,324.13
Other adjustments (borrowing cost and foreign exchange fluctuation)	-	-	601.65	3,948.60	-	-	-	-	-	4,550.25
Deletions/adjustment during the year	-	-	(19.48)	(13.20)	(300.37)	(61.10)	(17.09)	(62.95)	-	(474.19)
As at 31 March 2014	**50,581.20**	**277.57**	**31,029.75**	**109,977.34**	**2,145.59**	**598.12**	**2,473.18**	**1,613.08**	**10.44**	**198,706.27**
Additions during the period	155.36	1,539.98	5,343.14	5,197.23	666.42	54.14	65.47	103.52	-	13,125.26
Other adjustments (borrowing cost and foreign exchange fluctuation)	-	-	(31.92)	1,851.89	-	-	-	-	-	1,819.97
Deletion/adjustment during the period	-	-	-	(203.63)	(158.63)	(4.41)	(27.59)	(1.00)	-	(395.26)
As at 30 September 2014	**50,736.56**	**1,817.55**	**36,340.97**	**116,822.83**	**2,653.38**	**647.85**	**2,511.06**	**1,715.60**	**10.44**	**213,256.24**
Accumulated depreciation and amortisation										
As at 1 April 2013	-	6.95	3,578.44	34,884.23	832.83	207.99	1,589.46	425.20	1.02	41,526.12
Opening balance of transferor company	-	26.82	74.96	2,236.96	2.57	10.57	9.23	7.43	-	2,368.54
For the year	-	4.25	792.24	8,348.49	327.36	47.92	247.86	106.20	0.17	9,874.49
Deletions/adjustment during the year	-	-	(3.40)	(12.09)	(167.84)	(40.15)	(16.06)	(53.73)	-	(293.27)
As at 31 March 2014	**-**	**38.02**	**4,442.24**	**45,457.59**	**994.92**	**226.33**	**1,830.49**	**485.10**	**1.19**	**53,475.88**
For the period	-	2.46	541.80	4,233.28	164.20	122.26	145.22	100.96	0.09	5,310.27
Adjustment (refer note below)	-	-	33.37	538.95	3.41	29.47	3.01	10.03	-	618.24
Deletion/adjustment during the period	-	-	-	(201.70)	(106.38)	(3.67)	(27.20)	(0.45)	-	(339.40)
As at 30 September 2014	**-**	**40.48**	**5,017.41**	**50,028.12**	**1,056.15**	**374.39**	**1,951.52**	**595.64**	**1.28**	**59,064.99**
Net Block										
As at 31 March 2014	**50,581.20**	**239.55**	**26,587.51**	**64,519.75**	**1,150.67**	**371.79**	**642.69**	**1,127.98**	**9.25**	**145,230.39**
As at 30 September 2014	**50,736.56**	**1,777.07**	**31,323.56**	**66,794.71**	**1,597.23**	**273.46**	**559.54**	**1,119.96**	**9.16**	**154,191.25**

Note:
Effective from 1 April 2014, the Company has started providing depreciation and amortisation in terms of the requirement of Schedule II of the Companies Act, 2013. Further, based on the transitional provisions provided in Note (b) of Schedule II, the carrying value of assets which has completed its useful life as on 1 April 2014 has been charged , net of deferred tax, to the opening balance of the retained earnings as on that date.

HSIL LIMITED
Explanatory notes to Interim Condensed Financial Statements for the six-months ended 30 September 2014

14 FIXED ASSETS

Intangible Assets *(Amount in ₹ lacs)*

	Trade marks	Technical know how	Goodwill	Total
Gross block				
As at 1 April 2013	300.00	207.30	-	507.30
Opening balance of transferor company	-	-	4,715.91	4,715.91
As at 31 March 2014	**300.00**	**207.30**	**4,715.91**	**5,223.21**
As at 30 September 2014	**300.00**	**207.30**	**4,715.91**	**5,223.21**
Accumulated depreciation and amortisation				
As at 1 April 2013	300.00	60.81	-	360.81
Opening balance of transferor company	-	-	673.70	673.70
For the year	-	22.29	673.70	695.99
As at 31 March 2014	**300.00**	**83.10**	**1,347.40**	**1,730.50**
For the period	-	10.37	337.77	348.14
As at 30 September 2014	**300.00**	**93.47**	**1,685.17**	**2,078.64**
Net Block				
As at 31 March 2014	**-**	**124.20**	**3,368.51**	**3,492.71**
As at 30 September 2014	**-**	**113.83**	**3,030.74**	**3,144.57**

HSIL LIMITED

Explanatory notes to Interim Condensed Financial Statements for the six-months ended 30 September 2014

15 NON-CURRENT INVESTMENTS

(Amount in ₹ lacs)

Particulars	As at 30 Sepember 2014		As at 31 March 2014	
	Number	Amount	Number	Amount
Trade investments (valued at cost unless stated otherwise)				
Equity shares (unquoted)				
Investment in subsidiaries				
Equity shares of ₹10 each fully paid-up in Hindware Home Retail Private Limited	32,000,000	5,300.00	22,000,000	4,300.00
Equity shares of ₹10 each fully paid-up in HSIL Associates Limited	50,000	5.00	50,000	5.00
Equity shares of USD 1 each fully paid-up in Halis International Limited, Mauritius	1,705,000	782.50	1,705,000	782.50
Member's contribution in Alchemy International Cooperatief U.A.	180	0.12	180	0.12
Other investments				
Equity shares of ₹ 10 each fully paid-up in Andhra Pradesh Gas Power Corporation Limited	804,000	1,073.61	804,000	1,073.61
Equity shares of ₹10 each fully paid-up in Indian Plumbing Skills Council	60,000	6.00	60,000	6.00
Preference shares (unquoted)				
Investment in subsidiaries				
Preference shares of USD 1 each fully paid-up in Halis International Limited, Mauritius	1,662,000	930.08	1,472,000	814.53
Preference shares of ₹ 100 each fully paid-up in Hindware Home Retail Private Limited	6,290,000	6,290.00	6,290,000	6,290.00
		14,387.31		**13,271.76**
Non-trade investments (valued at cost unless stated otherwise)				
Equity shares (quoted)				
Other investments				
Equity shares of ₹ 10 each fully paid up in Neycer India Limited	125	0.01	125	0.01
Equity shares of ₹ 10 each fully paid up in Swastik Sanitarywares Limited	50	0.01	50	0.01
Government securities (unquoted)				
National Savings Certificates*		1.97		2.22
		1.99		**2.24**
		14,389.30		**13,274.00**
Aggregate amount of quoted investments (market value ₹ 0.02 lacs (previous year: ₹ 0.02 lacs))		0.02		0.02
Aggregate amount of unquoted investment		14,387.31		13,271.76
**Deposited with government authority*		1.97		2.22

16 LONG-TERM LOANS AND ADVANCES

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
(Considered good)		
Capital advances - secured, considered good	2,695.39	3,111.67
Security deposits, unsecured	1,376.74	1,273.67
Other loans and advances, unsecured		
Prepaid expenses	21.30	14.88
Others	297.95	580.03
	4,391.38	**4,980.25**

17 OTHER NON-CURRENT ASSETS

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
Other non-current assets		
Fixed deposits with banks whose original maturity is more than twelve months *	133.65	165.01
Interest accrued but not due on deposits	5.82	4.49
	139.47	**169.50**

** Includes margin money deposits amounting to ₹ 133.65 lacs (previous period: ₹ 165.01 lacs) pledged with banks against various bank guarantees/letter of credit issued by banks on behalf of the company.*

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HSIL LIMITED

Explanatory notes to Interim Condensed Financial Statements for the six-months ended 30 September 2014

18 INVENTORIES

(Amount in ₹ lacs)

Particulars		As at 30 September 2014		As at 31 March 2014
(As taken, valued and certified by the management)				
Raw materials and components		3,719.35		2,982.01
Work-in-progress		1,637.56		1,510.70
Finished goods (including traded goods)		37,472.93		32,184.51
Stores and spares	2,564.31		2446.22	
Add: Goods in transit	18.06	2,582.37	69.80	2,516.02
Loose tools		10.22		10.07
Packing material		1,113.95		888.28
Oils, fuels, lubricants and others		912.57		481.41
		47,448.95		**40,573.00**

19 TRADE RECEIVABLES

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
(Unsecured unless otherwise stated)		
Debts outstanding for a period exceeding six months from the date they are due for payment:		
Considered good		
- Secured	57.53	47.66
- Unsecured	980.90	381.90
Considered doubtful	1,179.52	948.24
	2,217.95	1,377.80
Less: Provision for doubtful debts	1,179.52	948.24
	1,038.43	429.56
Other debts		
Considered good	32,745.67	40,007.69
Considered good, secured	446.62	500.59
	33,192.29	40,508.28
	34,230.72	**40,937.84**

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20 CASH AND BANK BALANCE

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
Cash and cash equivalents		
Balance with banks in current accounts	300.32	879.10
Cheques in hand	-	766.03
Cash in hand	111.53	89.86
Remittance in transit	1,362.09	483.60
Fixed deposits with original maturity of less than 3 months	1,300.00	3,100.00
	3,073.94	**5,318.59**
Earmarked balances with banks		
Unclaimed dividend accounts	121.61	75.26
Other bank balances		
Held as margin money in fixed deposits	453.80	453.05
Fixed deposits with original maturity more than 3 months but less than 12 months	0.23	-
	3,649.58	**5,846.90**

21 SHORT TERM LOANS AND ADVANCES

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
Unsecured, considered good		
Advances to suppliers	3,151.21	1,162.37
Advances recoverable in cash or in kind or for value to be received	715.15	517.05
Balances with excise, sales tax and other authorities	1,692.97	1,411.20
Advance to employees	21.97	-
Minimum alternate tax ('MAT') credit entitlement	-	757.92
Advance income-tax (net of provision for tax and adjustment of the MAT credit entitlement)	262.40	-
	5,843.70	**3,848.54**
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	51.98	51.97
Less : Provision for doubtful loans and advances	51.98	51.97
	-	-
	5,843.70	**3,848.54**

22 OTHER CURRENT ASSETS

(Amount in ₹ lacs)

Particulars	As at 30 September 2014	As at 31 March 2014
Interest accrued but not due on deposits	154.54	194.41
	154.54	**194.41**

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23 INCOME FROM OPERATIONS

(Amount in ₹ lacs)

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Sales of products		
Finished goods	88,441.04	79,883.82
Other operating income		
Export incentives	-	226.48
Sundry balances and liabilities no longer required written back	201.22	11.95
Gain on foreign exchange fluctuations	281.74	96.28
Maintenance service income	21.72	18.26
Insurance claims received	138.76	193.66
Scrap sales	157.06	138.61
Miscellaneous receipts	371.83	581.51
	89,613.37	**81,150.57**

24 OTHER INCOME

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Rent received	11.45	23.19
Interest received from:		
- Loans to subsidiaries	9.03	44.68
- Loans to bodies corporate	0.53	1.03
- Deposits with banks	56.08	40.22
- Margin money with banks	26.63	24.62
- Advance to suppliers	0.14	0.07
- Other accounts	88.14	66.85
Sundry balances and liabilities no longer required, written back	33.68	(0.83)
Gain on disposal of fixed assets	5.35	2.97
Gain on sale of current investments	1.14	17.93
Miscellaneous income	0.01	0.27
	232.18	**221.00**

25 COST OF MATERIAL CONSUMED

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Detail of raw materials and components consumed		
Clays	563.16	2,306.77
Soda ash	4,370.02	5,417.03
Culets	3,442.02	3,094.85
Quartz/feldsper	816.16	1,195.44
Others	7,841.36	2,282.73
	17,032.72	**14,296.82**

26 PURCHASE OF TRADED GOODS

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Sanitaryware and other allied products	15,921.27	12,115.98
	15,921.27	**12,115.98**

HSIL LIMITED

Explanatory notes to Interim Condensed Financial Statements for the six-months ended 30 September 2014

27 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Amount in ₹ lacs)

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Opening stock		
Work in progress	1,510.70	1,300.21
Finished goods	32,184.50	27,425.88
	33,695.20	**28,726.09**
Less: Closing stock		
Work in progress	1,637.56	1,368.98
Finished goods	37,472.93	34,490.04
	39,110.49	**35,859.02**
Change in stocks	**5,415.29**	**7,132.93**
Excise duty on opening stock	2,969.03	2,544.89
Less : Excise duty on closing stock	3,690.87	3,335.66
Change in excise duty on finished goods	**721.84**	**790.77**
	(4,693.45)	**(6,342.16)**

28 EMPLOYEE BENEFIT EXPENSES

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Salaries, wages and bonus	8,352.19	7,051.56
Contribution to provident and other funds	406.71	402.55
Staff welfare expenses	301.03	324.78
	9,059.93	**7,778.89**

29 OTHER EXPENSES

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Power and fuel	14,448.91	20,348.18
Stores and spares consumed	1,883.63	1,785.73
Packing material consumed	4,381.10	4,297.84
Loose tools consumed	27.45	30.93
Oil, fuel and lubricant consumed	166.78	134.56
Excise duty	87.42	121.93
Repairs and maintenance:		
Buildings	131.33	155.14
Plant and machinery	383.57	431.47
Other assets	166.14	220.30
Rent (including hire charges)	327.81	312.30
Rates and taxes	90.27	78.04
Directors sitting fees	1.85	0.95
Expenditure on ceramic and applied research centre	32.92	33.40
Insurance	236.50	228.96
Travelling and conveyance	875.63	811.12
Discounts	1,748.74	1,643.73
Commission on sales	479.87	412.37
Freight and forwarding charges - export	531.90	187.60
Advertisement and publicity	878.85	612.00
Other selling and distribution expenses	3,973.89	3,354.76
Provision for doubtful debts and advances	183.62	31.20
Bad debts written off	1.78	3.29
Charity and donation	3.39	30.00
Loss on foreign exchange fluctuation	241.73	1,145.45
Loss on disposal of fixed assets	0.58	0.14
Miscellaneous expenses	870.00	761.02
	32,155.66	**37,172.41**

30 FINANCE COST

Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
Interest on:		
- Fixed period loans	2,933.31	3,338.84
- others	606.22	(198.68)
Other borrowing costs	59.62	18.03
	3,599.15	**3,158.19**

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31 Earning per share

(Amount in ₹ lacs)

	Particulars	Six months ended 30 September 2014	Six months ended 30 September 2013
a)	**Computation of profit**		
	Net profit after tax attributable to equity shareholders	3,405.83	1,504.94
b)	Computation of weighted average number of shares for Basic and diluted earnings per share (refer note 4)	66,046,395	66,046,395
c)	Nominal value per share (₹)	2	2
d)	**Earnings per share** – basic and diluted (₹)	5.16	2.28

32 Contingent liabilities

(Amount in ₹ lacs)

	Particulars	As at 30 September 2014	As at 31 March 2014
1)	**Contingent liabilities not provided for in respect of:**		
a)	Demands raised by the excise authorities against which appeals have been filed	429.72	364.21
b)	Demands made by the sales tax authorities against which appeals have been filed	271.65	295.85
c)	Demands raised by the income tax authorities against which appeals have been filed	62.65	62.65
d)	Duty availed on imports against Export Promotion Capital Goods licenses	2,783.56	2,818.42
e)	Bank guarantees outstanding	2,550.59	3,057.76
f)	Corporate guarantees(as given for Barwood Products Limited and Hindware Home Retail Private Limited) against which there is loan outstanding of ₹ 3,429.03 lacs and ₹ 3,455..35 lacs as at six months ended 30 September 2014 and year ended 31 March 2014 respectively.	9,238.15	8,234.83
g)	Claims against the Company not acknowledged as debts	2,045.46	2,043.44
2)	**Unfulfilled export obligation under Export Promotion Capital Goods license of Export Import Policy**	22,268.53	22,547.37

33 Capital and other commitments

	Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	5,580.38	2,857.76

34 Previous period figures have been regrouped/ rearranged wherever consider necessary to make them comparable with those of the current period.

For and on behalf of the Corporate Affairs Committee
HSIL Limited

R.B. Kabra
President- Building Products Division

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

Place : Gurgaon
Date : 9 March 2015

per **Lalit Kumar**
Partner

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

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Review Report

To the Board of Directors of HSIL Limited

1. We have reviewed the accompanying statement of unaudited financial results (the 'Statement) of HSIL Limited (the 'Company') for the quarter ended 31 December 2014 and the year to date results for the period 1 April 2014 to 31 December 2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiok & Co LLP

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

per **Atul Seksaria**
Partner
Membership No. 86370

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurgaon
Date: 15 January 2015

HSIL LIMITED

REGD. OFFICE: 2, RED CROSS PLACE, KOLKATA-700 001

Website: www.hindwarehomes.com CIN : L51433WB1960PLC024539

PART I

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2014

(Rs. in lacs)

	Particulars	Unaudited			Unaudited		Audited
		Quarter ended			Nine months ended		Year ended
		31 December 2014	30 September 2014	31 December 2013	31 December 2014	31 December 2013	31 March 2014
1	**Income from operations**						
	Gross sales	49,523	44,374	38,904	137,964	118,788	185,571
	Less: Excise duty	3,974	2,667	2,775	9,989	8,835	13,888
	(a) Net sales/ income from operations	45,549	41,707	36,129	127,975	109,953	171,683
	(b) Other operating income	664	676	526	1,836	1,793	2,965
	Total Income from operations (net)	**46,213**	**42,383**	**36,655**	**129,811**	**111,746**	**174,648**
2	**Expenses**						
	a) Cost of materials consumed	9,019	9,230	6,716	26,052	21,013	33,528
	b) Purchases of stock-in-trade	8,263	8,280	8,187	24,184	20,303	28,867
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,246)	(4,437)	(5,226)	(6,940)	(11,568)	(4,102)
	d) Employee benefits expense	5,228	4,766	4,156	14,288	11,935	17,021
	e) Depreciation and amortisation expense	3,176	2,903	2,442	8,834	6,951	10,570
	f) Power and fuel	7,248	7,603	8,679	21,697	29,027	37,702
	g) Other expenses	9,267	9,461	8,061	26,974	24,885	34,894
	Total expenses	**39,955**	**37,806**	**33,015**	**115,089**	**102,546**	**158,480**
3	**Profit from operations before other income, finance costs and exceptional items (1-2)**	6,258	4,577	3,640	14,722	9,200	16,168
4	Other income	77	172	55	309	276	373
5	**Profit from ordinary activities before finance costs and exceptional items (3+4)**	**6,335**	**4,749**	**3,695**	**15,031**	**9,476**	**16,541**
6	Finance costs	1,959	1,889	1,793	5,558	4,951	6,789
7	**Profit from ordinary activities after finance costs but before exceptional items (5-6)**	4,376	2,860	1,902	9,473	4,525	9,752
8	Exceptional items	-	-	-	-	-	-
9	**Profit from ordinary activities before tax [7+8]**	**4,376**	**2,860**	**1,902**	**9,473**	**4,525**	**9,752**
10	Tax expense	1,347	953	723	3,038	1,841	4,132
11	**Net profit from ordinary activities after tax [9-10]**	**3,029**	**1,907**	**1,179**	**6,435**	**2,684**	**5,620**
12	Extraordinary items (net of tax expenses Rs. Nil)	-	-	-	-	-	-
13	**Net profit for the period [11-12]**	**3,029**	**1,907**	**1,179**	**6,435**	**2,684**	**5,620**
14	**Operating profit (EBIDTA)**	**9,511**	**7,652**	**6,137**	**23,865**	**16,427**	**27,111**
15	Paid up equity share capital (Shares of Rs.2/- each)	1,321	1,321	1,321	1,321	1,321	1,321
16	Reserves excluding revaluation reserves/ business reconstruction reserve as per balance sheet of the previous accounting year	-	-	-	-	-	78,559
17 i	**Earning per share(before extraordinary items)** (of Rs. 2/- each) (not annualized)						
	(a) Basic (Rs.)	4.59	2.89	1.79	9.74	4.06	8.51
	(b) Diluted (Rs.)	4.59	2.89	1.79	9.74	4.06	8.51
17 ii	**Earning per share(after extraordinary items)** (of Rs.2/- each) (not annualized)						
	(a) Basic (Rs.)	4.59	2.89	1.79	9.74	4.06	8.51
	(b) Diluted (Rs.)	4.59	2.89	1.79	9.74	4.06	8.51

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

PART II

SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2014

	Particulars	Unaudited			Unaudited		Audited
		Quarter ended			Nine months ended		Year ended
		31 December 2014	30 September 2014	31 December 2013	31 December 2014	31 December 2013	31 March 2014
A	**PARTICULARS OF SHAREHOLDING**						
1	Public shareholding						
	- Number of shares	31,984,146	31,984,146	31,984,146	31,984,146	31,984,146	31,984,146
	- Percentage of shareholding	48.43	48.43	48.43	48.43	48.43	48.43
2	Promoters and promoters group shareholding						
	a) Pledged/encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
	b) Non-encumbered						
	- Number of shares	34,062,249	34,062,249	34,062,249	34,062,249	34,062,249	34,062,249
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	51.57	51.57	51.57	51.57	51.57	51.57
B	**Investor complaints**	Quarter ended 31 December 2014					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	15					
	Disposed off during the quarter	15					
	Remaining unresolved at the end of the quarter	Nil					

	Segment wise revenue, results and capital employed	Unaudited			Unaudited		Audited
		Quarter ended			Nine months ended		Year ended
	Particulars	31 December 2014	30 September 2014	31 December 2013	31 December 2014	31 December 2013	31 March 2014
1	**Segment revenue:**						
	a) Building products	22,819	22,676	21,334	64,718	60,985	88,102
	b) Packaging products	23,386	19,646	15,311	64,958	50,617	86,389
	c) Others	8	61	10	135	144	157
	Total	46,213	42,383	36,655	129,811	111,746	174,648
	Less : Inter segment revenue	-	-	-	-	-	-
	Net sales/income from operations	**46,213**	**42,383**	**36,655**	**129,811**	**111,746**	**174,648**
2	**Segment results: Profit(+)/ Loss(-) (before tax and interest from each segment)**						
	a) Building products	4,212	4,190	4,257	12,465	12,045	18,280
	b) Packaging products	3,133	1,375	161	5,033	(865)	991
	c) Others	(18)	43	(14)	72	71	55
	Total profit before unallocable expenditure	7,327	5,608	4,404	17,570	11,251	19,326
	Less: Finance costs	1,959	1,889	1,793	5,558	4,951	6,789
	Less: Other unallocable expenditure, net of unallocable income	992	859	709	2,539	1,775	2,785
	Total profit before tax	**4,376**	**2,860**	**1,902**	**9,473**	**4,525**	**9,752**
3	**Capital employed: (Segment assets - Segment liabilities)**						
	a) Building products	95,352	93,252	84,798	95,352	84,798	87,676
	b) Packaging products	127,059	125,824	126,703	127,059	126,703	132,058
	c) Others	774	855	818	774	818	807
	d) Unallocated	16,903	17,036	26,313	16,903	26,313	14,332
	Total	**240,088**	**236,967**	**238,632**	**240,088**	**238,632**	**234,873**

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

Notes:

(1) The statutory auditors of the Company have carried out a limited review of unaudited financial results for the quarter and nine months ended 31 December 2014.

(2) The above financial results of the Company have been reviewed by the audit committee and approved by the Board of Directors at their respective meetings held on 15 January 2015.

(3) Effective from 1 April 2014, the Company has started providing depreciation and amortisation in terms of the requirement of Schedule II of the Companies Act, 2013. Due to this, depreciation and amortisation charge for the quarter ended 31 December 2014 is higher by Rs. 163.75 lacs and for the nine months ended 31 December 2014 is higher by Rs. 547.28 lacs, which has been charged to the statement of Profit and Loss. Further, based on transitional provision provided in Note 7(b) of Schedule II, the carrying value of assets which has completed its depreciation period as on 1 April 2014 has been charged to the opening balance of retained earnings as on that date. On certain assets, based on chartered engineer's certificate, the Company has adopted a useful life different from what is specified in Companies Act 2013. Had the Company provided the depreciation and amortisation charge based on the lives specified in Schedule II of the Companies Act 2013, depreciation and amortisation charge for the current quarter ended 31 December 2014 would have been higher by Rs. 106.05 lacs and for nine months ended 31 December 2014 would have been higher by Rs. 327.34 lacs.

(4) Standalone figures for the current quarter and nine months ended 31 December 2014 includes all revenue, expenses and capital employed pertaining to the merged company i.e. Garden Polymers Private Limited, as per scheme approved by Hon'ble High Court, Calcutta. However, standalone figures of the corresponding quarter and nine months ended of previous year do not include the figures in respect of the aforementioned merged company. In view of this, standalone figures of the current quarter and nine months ended 31 December 2014 are not comparable with those of the corresponding periods of previous year.

(5) Previous year's/period's figures have been re-grouped /re-arranged, wherever considered necessary.

Place : Gurgaon
Date : 15 January 2015

Rajendra K. Somany
Chairman and Managing Director

WALKER CHANDIOK & CO. LLP * CHARTERED ACCOUNTANTS *

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Further, all the relevant provisions of the Securities and Exchange Board of India Act, 1992, as amended (including all rules, regulations and guidelines issued thereunder), have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

R. K. Somany
Chairman and Managing Director

Place: Gurgaon
Date: March 12, 2015

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

R. K. Somany
Chairman and Managing Director

I am authorized by the Corporate Affairs Committee of Board of Directors vide resolution dated October 30, 2014 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

R. K. Somany
Chairman and Managing Director

Place: Gurgaon
Date: March 12, 2015

ISSUER

HSIL Limited
Registered Office of the Issuer,
2- Red Cross Place, Kolkata 700 001, India.

Corporate Office: 301-302, IIIrd Floor, Park Centra,
Sector- 30, National Highway-8, Gurgaon-122001, Haryana
Telephone: +91 124 4779200; Fax: +91 124 4292898/99

Website: www.hindwarehomes.com; CIN: L51433WB1960PLC024539,
Contact Person: Payal M Puri, Company Secretary and Compliance Officer

Details of Compliance Officer
Ms. Payal M Puri,
Company Secretary and Compliance Officer,
301-302, 3rd Floor, Park Centra,
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