

The background of the entire page is a vibrant blue gradient. At the bottom, there is a large, detailed splash of water with many droplets and bubbles. The text "REFRESHED & REALIGNED" is written in large, bold, black capital letters across the middle. Each letter of the text contains a different image related to water or hygiene: "R" shows a white sink; "E" shows a white sink; "F" shows a white sink; "R" shows a white sink; "E" shows a green bottle; "S" shows a green bottle; "H" shows a white sink; "E" shows a white sink; "&" shows a white sink; "R" shows a white sink; "E" shows a white sink; "A" shows a white sink; "L" shows a white sink; "I" shows a white sink; "G" shows a white sink; "N" shows a white sink; "E" shows a white sink. The text is partially overlaid by a large, faint, light blue watermark that reads "REFRESHED & REALIGNED".

REFRESHED & REALIGNED

ANNUAL
REPORT
2013-14

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A high-speed photograph of a water droplet falling into a pool of water, creating a series of concentric ripples. The background is a solid blue color.

HOW DO WE INTERPRET THIS MOMENT?

We are optimistic as we see opportunities all around. However, in a progressively competitive market, there are no low-hanging fruits to be plucked, but with our refreshed thinking and realigning strategy, we are confident of sustainable growth, despite a changing business landscape.

It means we have to keep transforming in order to create a customer experience that is unique and a value proposition that is unmatched.

We are executing a bold agenda for change - from consolidating existing capabilities to enhancing capacities, stepping up investments to propelling innovation and

widening presence nationally and internationally.

We are making the most of the opportunities by consistently infusing new ideas, countering challenges and modifying the way we operate. To significantly create value for customers and other stakeholders – for the near term, for this decade and beyond.

A REFRESHING PROSPECT FOR CHANGE IS HERE...

... and it will come through relentless focus on customer aspirations and ways in which we can help them realise their desires.

We have taken strategic decisions in key areas to drive growth in the Company and create better products for our discerning customers in India and the world. Our legacy of value creation stretches back to more than five decades. The industry reality has considerably changed since we started, but our commitment to remain industry stalwarts for all our products remain unwavering.

We have sustained significant market share for both our divisions (Building Products and Packaging Products), despite challenges. Apart from being a frontrunner in the sanitaryware segment, the AGI brand, from our Packaging Products Division too is the second largest industry player. We have also ventured into the specialty home interior space in the year 2007 through our retail venture; EVOK. Today it has 19 outlets: 16 big formats and 3 specialty stores, across India.



2013-14 in perspective

18%

REVENUE GROWTH IN
BUILDING PRODUCTS
DIVISION

2.65%

INCREASE IN EBITDA OVER
LAST YEAR

2.31%

INCREASE IN EBITDA
MARGIN IN BPD

2.5mn
pieces

THE CAPACITY OF THE
NEW FAUCET PLANT
AT KAHARANI,
RAJASTHAN

89%

AVERAGE CAPACITY
UTILISATION OF
SANITARYWARE PLANTS

100+

NEW PRODUCTS &
DESIGNS LAUNCHED
DURING THE YEAR



EXCITING PRODUCT LAUNCHES

Queo



Features

Luxury range which introduced 7 new series of bathroom products designed by internationally renowned design professionals.

Range

- **Nautilus** – washbasins & water closet
- **Fedra** – washbasin & water closet
- **Enzo** – Washbasin & water closet
- **F-Clair** – Bath/shower and basin mixers with colour therapy
- **F-Elegant** – Faucets, bath & shower mixer
- **F-Mosaico & Mosaico Oro** – Series of faucets with handcrafted stones
- **F-Asteria** – Wall hung basin with built-in closet

Amore



Features

New brand launch. A range of wellness products that are in tune with today's time, 'bathroom as a spa'.

Range

- Massage tubs
- Multifunctions
- Shower enclosures
- Shower panels

hindware Italian Collection/hindware Art/hindware



Features

Assortment of designs characterised by clean lines, smooth surface with intricate details. A beautiful integration of functional benefits packaged in eye catching designs.

Range

Nearly 25+ new designs in all product verticals. Launched different products under series named: Atlanta, Twilight, Modena, Enigma and Armada.

hindware Tiles



Features

Technologically smart, trend setting modern age tiles.

Range

HD Digital, concept series.

hindware Kitchen Appliances



Features

Product bouquet was enlarged across all product verticals.

Range

Eight new models of hoods; Island, Designer and Auto clean; over 10+ new models of Built-in Ovens, Microwaves, Cooktops and Cooking range and new models of Built-in Hob, Induction cooktop.

Benelave



Features

Complete range of world-class bath fittings, accessories and sanitaryware

Range

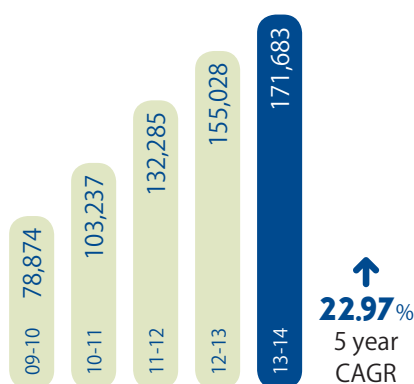
Introduced sanitaryware which offer elegance, durability and ease of use.

FINANCIAL PERFORMANCE

The macro-economic conditions were difficult, but at HSIL, we focused on our business fundamentals, which helped us deliver sustainable numbers.

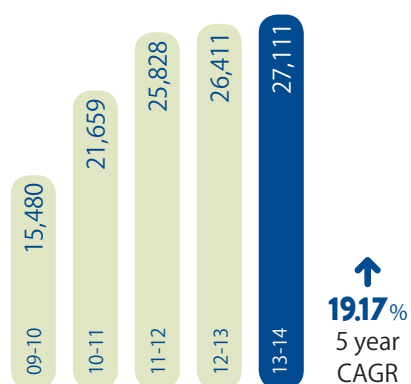
Net Turnover

(₹ in lacs)



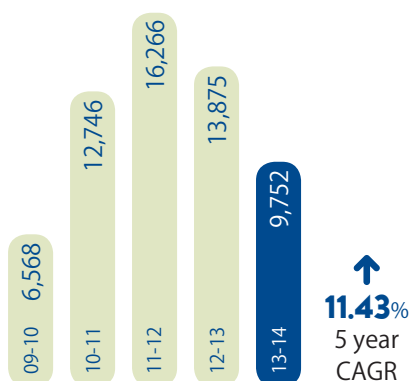
EBITDA

(₹ in lacs)



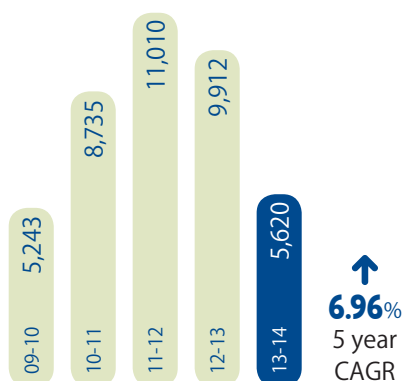
PBT

(₹ in lacs)



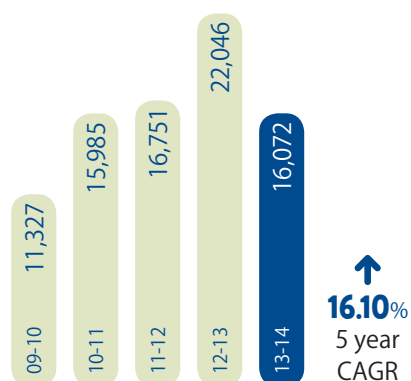
PAT

(₹ in lacs)



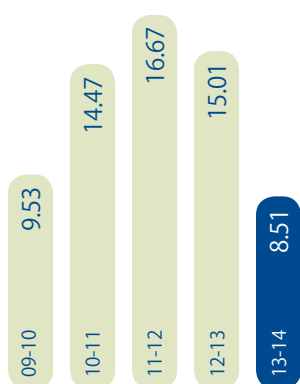
Cash Profit

(₹ in lacs)



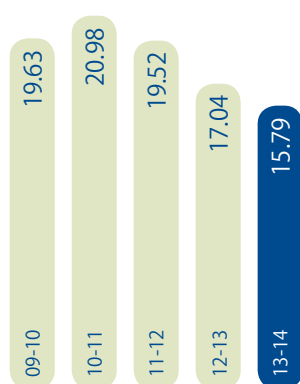
EPS

(₹)



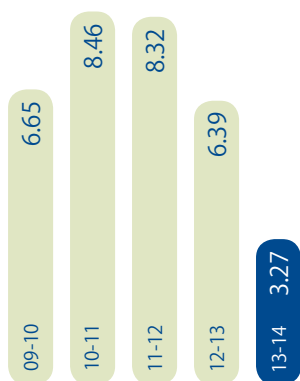
EBITDA Margin

(%)

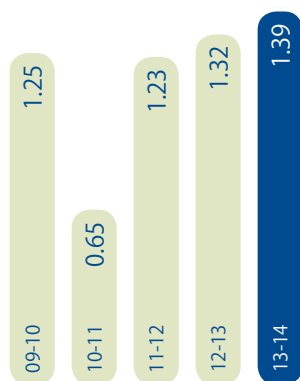


PAT Margin

(%)



Debt-Equity Ratio





WE SHAPE

At HSIL, we have built an impressive track record of fulfilling customer aspirations, thanks to:

- Consistent quality focus
- Enhanced convenience combined with aesthetics
- Globally benchmarked standards
- World-class designs
- Robust durability
- Water conserving models



LIFESTYLES

Building Products Division

- Sanitaryware
- Faucets
- Kitchen Appliances
- Wellness
- Tiles
- Extractor Fans
- Allied Products

Packaging Products Division

- Glass Containers
- PET Bottles

TASTEFUL DESIGNS, DESIRABLE CHOICES



hindware
ITALIAN COLLECTION

hindware
ART

The simplicity and beauty of the two collections lies in their design and concept. They not only meet customer needs but are worthy of being cherished. The wide choice of products on offer at various price points appeal to a large consumer base. The collective purpose of the collections, is to create an ultimate luxury experience in the bathroom with products which showcase timeless designs which are relaxing, comforting and quality assured.

hindware

The brand's greatest asset is its recall value among the customer. Matching its image of superior quality product with modern product offering, the refreshed offering has only made the 54 year old brand more attractive and engaging. When functionality meets beauty, you encounter an experience that leaves you truly rejuvenated.

The faucet collection has 17 ranges on offer each with a distinctive design style. Personifying beauty and simplicity with elegance they are a refreshing choice for any bathroom. Sound casting, good quality cartridge and long lasting outer plating; we call it the 3C technology which is the hallmark of hindware faucets. They are manufactured using German technology cartridges and Spanish mousers to ensure each delivers on

the promise of flawless quality and ease of functionality.

Tiles: Imported from some of the best state-of-art manufacturing hubs across the globe "hindware Tiles" are targeted at consumers in Tier I & Tier II markets. The range is an ensemble of style, blending global trends, using superlative technology and quality at par with international standards.

In 2013 hindware Tiles earned the GRIHA certification for its range of vitrified tiles. The certification was earned on the basis of them being "Low Energy Flooring" as per the manufacturing norms of GRIHA - use of renewable energy, pollution control, conservation of resources and more importantly for use of recycled content.

Kitchen Appliances: 'hindware Kitchen Ensemble' houses the latest offerings for an effortless and efficient

cooking experience. From cooker hoods in stainless steel & tempered glass to ovens and counter tops with their multi-dimensional cooking capabilities, the product basket is constantly upgraded and modified to match current trends and improved lifestyle demands.



Brand Amore, a range of wellness products was introduced to cater to the growing urban imagery of a bathroom as a spa at home. In tune with today's time, Amore targets

the high end bathware segment. The fusion of contemporary design and technology reflects in each of the Amore products consisting of Massage tubs, Multifunctions, Shower panels and Shower enclosures.

Romance - Massage Tubs

A range inspired by the Roman era where bathing was an integral part of every social function and embraces the touch of class and elegance with utility of cutting edge Italian technology.

Ambiente - Shower Enclosures

Inspired from nature and the woods of the forest. The shower enclosures have a stylish exteriors and classy interiors. This is an Italian product with architectures to match.

Solitaire - Shower Panels

A precious and coveted range of touch panels and showers symbolising togetherness. A waterfall-like experience, its multipoint jets are beautiful as well as functional giving an experience of luxury and opulence.

Thermae - Multi Functions

It is a range that gives an experience of the spa. A private steam, dedicated to the customers with Italian technology.

QUEO

High-end luxury sanitaryware, Queo from Barwood, UK, purveyor of bespoke bathrooms has been delighting the Indian customer since it was introduced in the market. Queo's charm lies in its product line, designed by renowned product designers, ceramic designers and architects, combining form and function to a new level to complement the lifestyle of the privileged few. Geometric planes, Bauhaus influence, simple lines, clean looks heighten its novelty. The brand is a synthesis of art and utility, taste and style, substance and excellence.

Benelave products offer elegance, durability and ease of use; a perfect brand to integrate a modern lifestyle appearance in any home.



Premium extractor fans under the brand 'Vents', the largest brand worldwide from Europe is brought to India by HSIL Limited. Vents offers an array of domestic extractor fans, which are an amalgamation of unique design and technology; an outcome of powerful research & development. Products from 'Vents' operate silently, consuming less energy, which result in nearly 50% energy saving in select models.

Fashion Mega Store'. The core vision of EVOK is to be first choice partner of customers aspiring for 'Value for Style' home interior solutions for the B2C business while the 'design to build' service focuses on B2B businesses.

EVOK is a premium 'Mega Home Store' in the country with 19 retail outlets across India. During the year, EVOK introduced a 'Franchisee Model investment' opportunity in North and South India, which will focus only on Modular Kitchens, a novel and upcoming concept in mini metros as well as potentially lucrative markets with lots of business potential.

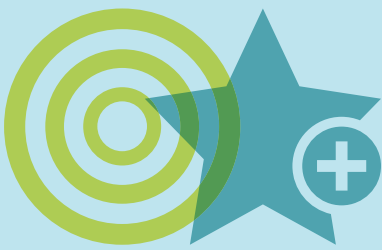


Complete range of world-class bath fittings, accessories and sanitaryware. Premium in looks and totally cutting edge in design, the brand lends a fresh makeover to any décor.



Hindware Home Retail Pvt. Ltd. (HHRPL) is a wholly-owned subsidiary of HSIL having established a chain of large retail format stores under the brand name 'EVOK - The Home

VISION AND VALUES



Core Purpose

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

Core Values

People Excellence

Performance Excellence with

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

Learning for sustained competitive advantage

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

Business Excellence

Performance Excellence with

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

Operational Excellence

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

Customer Centricity

- Delighting our customers
- Committed to provide best-in-class experience to our customers
- Doing what is right for our internal and external customers

Leadership Excellence

Innovation with

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

Agility

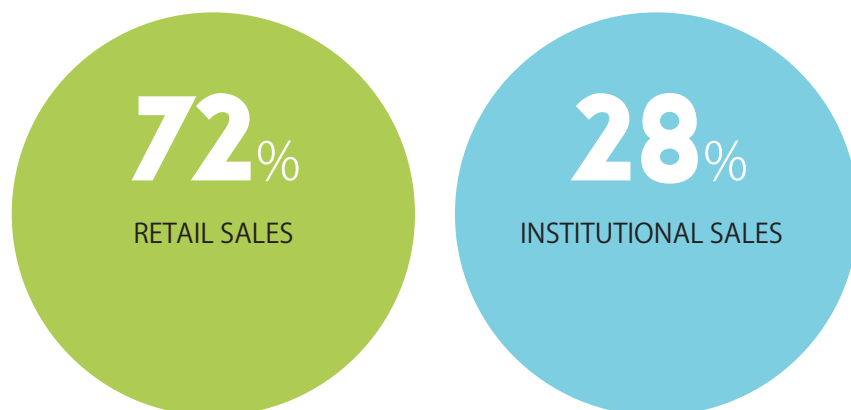
- Being flexible, responsive and adaptable to the changing market dynamics
- Keeping ourselves abreast of the changing market dynamics
- Embracing change and adapting ourselves rapidly
- Responding quickly and effectively in order to seize opportunities

BUILDING PRODUCTS DIVISION



At HSIL, we hold a leading position in the organised Building Products industry through multiple brands, serving a wide cross-section of society. Over the years we have successfully met evolving customer aspirations, through unmatched quality, design and comfort reflected in our products.

Revenue Distribution



Manufacturing Facilities

Products	in million pieces/P. A.	
	Facility	Capacity
Sanitaryware	Bahadurgarh (Haryana)	1.8
	Bibinagar (Telangana)	2.0
Faucet	Bhiwadi (Rajasthan)	0.5
	Kaharani (Rajasthan)	2.5



PACKAGING PRODUCTS DIVISION



At HSIL, we renamed our Container Glass Division to Packaging Products Division with the merger of wholly-owned subsidiary, Garden Polymers Private Limited. Considering the mismatch in demand and supply for Container Glass, the addition of the PET bottle segment widens our product basket.

End user industry contribution - Container Glass Segment

Pharma

Contribution to
total revenue **12%**

Food and Beverages

Contribution to
total revenue **23%**

Liquor and Beer

Contribution to
total revenue **65%**

End user industry contribution - PET Bottle Segment

Pharma

Contribution to
total revenue **31%**

Food and Beverages

Contribution to
total revenue **1%**

Liquor

Contribution to
total revenue **68%**

Manufacturing Facilities

Glass Containers	TPD	PET Bottles	TPA
Sanathnagar, Hyderabad, (Telangana)	650	Selaqui (Uttarakhand)	7,050
Bhongir (Telangana)	950	Dharwad (Karnataka)	2,450
Total	1,600	Total	9,500



IN GOOD COMPANY



Building Products Division

1,500+

INSTITUTIONAL
CLIENTS FOR BUILDING
PRODUCTS DIVISION

- Adani
- Amrapali Group
- Ansal Group
- ATS Infrastructure
- DLF
- Emaar MGF
- Godrej Properties
- GMR
- Infosys
- Jaypee
- JMD
- Larsen & Toubro
- M2K
- Marriot
- Omaxe
- Oris Infrastructure
- Parsvnath Developers
- Prestige Developers
- Purvanchal Projects
- Shapoorjee Pallonjee
- Shobha Developers
- Tata Housing
- The 3C Company
- The Taj Hotels
- Unitech
- Vipul



Packaging Products Division

550+

INSTITUTIONAL CLIENTS FOR
PACKAGING PRODUCTS
DIVISION

- Abbott Healthcare
- Anheuser-Busch InBev
- Apex Laboratories
- Carlsberg India
- Creative Healthcare
- Dr. Reddy's Laboratories
- Global Green Company
- GSK Consumer Healthcare
- GSK Pharma
- Geno Pharma
- Himalaya Drug
- Hindustan Coca Cola Beverages
- Hindustan Unilever
- Jagatjit Industries
- John Distilleries
- Molson Coors
- Nestle India Limited
- Pernod Ricard India
- Pepsi Co. India
- Pfizer
- Radico Khaitan
- Reckitt Benckiser
- SAB Miller India Ltd
- Tilaknagar Industries
- Tupperware India
- United Breweries
- United Spirits

CMD'S PERSPECTIVE



Dear Shareholders,

Last year, I had spoken at length about how we are creating a transformational business that responds to customer aspirations and market realities in order to keep pace with the changing times. The result of such a process is a refreshed and realigned business outlook.

How will it make a difference? I will say, in a lot of ways. First, it will help us to focus our energies on the key priorities of our business divisions, consolidate our existing capabilities and resources, and enable us to leverage the opportunities of an ambitious society and a growing Indian economy. Besides, I think the moment is appropriate to take stock on business growth with a refreshed perspective because India now is gradually regaining its lost dynamism. The new government is making the right moves, prioritising and undertaking suitable policy initiatives and the world is taking notice. Such a scenario helps in two ways: first, it opens avenues for businesses to grow; second, it boosts customer confidence to go back to the market.

We have always been at the forefront to capitalise on opportunities in

the industries we operate in. How do we do that? We first consider the customer's perspective and then work backwards to design and develop a product, which is an outlier. It is never the other way round. The customers are as much delighted to own those products, as we were while making them. The joy of creativity you can say, but I will add, it has as much to do with meticulous planning and disciplined execution with a little help from technological advances.

Think premium

We want to bring joy to our customers with premium, durable and lifestyle products. The luxury segment in our sanitaryware collection is growing by 15-20% every year and enjoying a speedy growth trajectory. Contemporary customers have exposure and knowledge about uber-luxury brands;

■ ■ I THINK THE MOMENT IS APPROPRIATE TO TAKE STOCK ON BUSINESS GROWTH WITH A REFRESHED PERSPECTIVE BECAUSE INDIA NOW IS GRADUALLY REGAINING ITS LOST DYNAMISM.

they want more premiumisation and are ready to pay for it. Queo, our luxury brand, has completed one full year in operations and performed remarkably. We opened 36 Queo showrooms this year. We launched brand 'Amore' with four new product lines to cater to the increasing demand for wellness products in the bathrooms space.

Our firm belief in continuous research and development with a smart blend of technology and aesthetics is a prerequisite to sustaining our focus on premium positioning. We have added 30 new designs across sanitaryware, faucets, washbasins and bathroom suite under the hindware Italian Collection. Acquiring the WEP – 1 (Water Efficient Product) certification from international body, IAPMO too was part of this conviction. The Star Rated product line of water closets clearly provides the customer the authentication, information and choice he/she requires to make a decision.

Capacity matters

We will be investing ₹ 150 crores in our third manufacturing plant (sanitaryware) at Gujarat with an annual capacity of 1.2 million units. We have acquired around 70 acres of land near Ankleshwar, Gujarat for this purpose. Work in this plant is likely to start in early 2015 and production will commence by the middle of 2017. We are also going ahead with de-bottlenecking of both our existing sanitaryware plants by 0.4 million pieces capacity. This will overall enhance our sanitaryware capacity to 5.4 million pieces per annum. We have also set up a second faucet plant in Rajasthan with a capacity of 2.5 million pieces annually. This expanded capacity will help us to become the second largest faucet player in the country.

Growing reach and recall

We have one of the largest retail penetrations in the industry. We are well positioned to benefit from our

strong distribution network of 18,000 retailers, 2900+ dealers, 19 service locations comprising 300 plumbers at 150 resident locations covering 600+ districts across India. This apart, we have 458 hindware shop-in-shops and over 100 hindware Gallerias; direct dealer outlets to bridge the last-mile connectivity with the end consumer.

Customers are brand ambassadors

Today, customers do not merely buy products or services, they buy an experience. Our new products are designed to bring panache to the customer's day-to-day experience in the household and bathing spaces. Our well-established and robust network, along with our display centres (hindware Lacasa, where we exhibit our entire product basket) are aimed at potential customers to get an immersive experience of our products. At present, we have two Lacasa centres and aim to increase that number in the coming financial year.

Realigned strategy

The performance of our Packaging Products Division was impacted by oversupply in the market. However, we have responded with speed and changed our relevant strategies to counter the challenges. We remained focused on consolidating our product profile, enhanced our operational efficiencies, rationalised costs and widened our customer base.

For the glass bottle business, we will focus on elevating technology standards and rationalising our cost structure, while for the Building Products Division we will concentrate on quickly securing new agreements with institutional clients to grow.

Team matters

Only a powerful team can raise the game to a new level. Individual talent matters, but only to a limited extent. Winning or losing in a game of soccer or marketplace ultimately

depends on how the team performs. At HSIL, we focus on building an empowered team that is agile and flexible to change when the market demands. Various programmes on competence building and leadership are being conducted at our facilities to motivate the workforce.

Wow moments

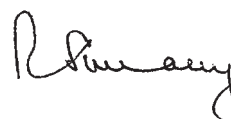
Our business is all about delivering 'wow moments' to customers, not intermittently but consistently with top-tier technology and design skills that the world adores. Moreover, we look forward to creating those special moments of empathy, when customers need help and support in choosing the 'right product' that brings a smile. That's how relationships grow beyond just one transaction and a limited geography.

No boundaries

We are thinking borderless to enrich lives globally. Plans are afoot to take our products to global customers. We are focusing on Fiji, New Zealand, Australia, parts of Europe and a few African countries like Nigeria, Kenya, Zambia and South Africa. We are building a new operational ecosystem to develop, produce and sell products in each of these geographies that meet their local needs and respect each region's culture and lifestyle.

Our vision is to create a business that adds value to life globally. We are doing this every day by designing great products, caring for customers and helping them achieve their aspirations. We have a long way to go and we seek your support in making the journey more exciting.

Warm Regards



Rajendra K Somany

Chairman and Managing Director

JMD'S MESSAGE



India's sanitaryware and Packaging Products markets offer significant opportunities for growth. The country's sanitaryware and bathroom fittings industry is estimated to be valued around ₹ 80 billion and will grow at a CAGR of about 12% between 2013 and 2018. There are credible reasons behind this reality: only 40% of the total population of the country enjoy sanitation facilities; even today, 19% of urban residences do not have proper sanitation. Besides, higher disposable income, rising awareness about hygiene and the focus on premiumisation provide further impetus to demand.

On the other hand, low per capita consumption of glass at 1.5Kg in India, compared to 27.5Kg in the US and the UK, 10.2Kg in Japan and 5.9 Kg in China represents an untapped market opportunity. Growth in the Packaging Products industry is expected to be driven by rising

Dear Shareholders,

We are at the threshold of a new era of growth and opportunity, as India is now geared to overcome its prolonged economic and policy uncertainty. The global economic scenario is also showing early signs of broad-based growth. In such an operating environment, it is only natural for us to adopt a refreshed and realigned approach to our business. By doing so, we can harness our potential and create more value for our customers and stakeholders.

■ ■ WE UNDERTOOK
■ ■ MULTIPLE MEASURES TO
IMPROVE PRODUCTIVITY
RATIONALISE COSTS AND
DRIVE INNOVATION.

demand from the user industries like liquor, food, beverages and pharmaceuticals. The Packaging Products industry is currently growing at a CAGR of 11% and is expected to reach US\$21.6 billion by 2015.

Our performance

We undertook multiple measures to improve productivity, rationalise costs and drive innovation. The result is a flexible operating model and a customer-oriented business approach. During the year under review, our standalone revenue touched ₹ 1,889 crores, up by 10.48% over 2012-13, while EBITDA and net profit stood at ₹ 271.11 crores and ₹ 56.20 crores, respectively. Sales volumes for the Building Products Division increased considerably. The Division reported the highest ever EBIT margin of 21.17% in 2013-14. This was primarily on account of higher sales, higher ratio of value-added products and improved efficiencies.

The capacity utilisation of our sanitaryware plants was 89% in 2013-14. Premium products now contribute 53% of total Building Products Division sales, which was 5% to 7% seven years ago. Over the next three to four years, we expect the share of premium products to touch 60-65%. Last year the Building Products Division grew by 18% over FY 12-13.

Talking about brands, Queo performed remarkably well, and we introduced it to more select premium locations. The faucet plant will begin to operate at full capacity (2.5 million pieces) by the end of 2014-15. It is expected to generate ₹ 1-1.5 billion of additional revenues from the next fiscal 2015-16.

Along with utility, visual appeal is also gaining significant mindshare nationally and internationally. Therefore, we are focusing on better designs as well as convenience for all our products. We have invested in training designers and plumbers in partnership with the Indian Plumbing Skill Council (IPSC) and NAAC. The aim of the association with IPSC is to train and certify 12,000 plumbers who in-turn will train around 1.2 million plumbers in the next nine years, making them acquainted with the latest products and relevant services required for installation modern day bathroom products.

While the Buildings Products Division performed according to our expectations, the Packaging Product Division faced challenges (unutilised capacity, higher operating cost and declining profitability) as the industry itself suffered from excess capacity vis-a-vis demand. However, we responded with alacrity, when the occasion demanded. We adopted leaner operational measures, enhanced efficiencies and returned to better financials in the third and fourth quarter of the year.

We have realigned our manufacturing capabilities by reducing costs, minimising process wastage and enhancing operational excellence. These initiatives helped us successfully reduce per unit energy consumption and achieve cost efficiencies.

Realigning distribution

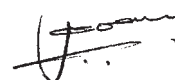
We are well positioned in the distribution of our brands and have infused fresh ideas in planning our retail network. Direct-dealer stores of minimum 1200-1500 sq. ft floor space have been made an essential criterion, for hindware Galleria's,

our high-street retail endeavour. As for brand Queo, its visibility in the market has gained traction with premium retail showrooms backing it up. The retail business (EVOK) has grown during the year by nearly 10% and now has 19 stores; 16 mega-format and 3 speciality focused on Modular Kitchens. Our objective is to further penetrate the market in 2014-15, increase our dealer base and reach semi-urban rural India with our products.

Value creation for all

We have a fundamentally strong business that can adapt and create value in a dynamic economy and society. As a part of our legacy, we look beyond financial performance and profitability of our business and look to making a positive impact on society and the environment. Apart from our intent in improving the skills of plumbing contractors and plumbers with installation guide of high-end products such as LED showers, wellness products and bath tubs, we are also introducing after sales service for our faucet business and upgrading our CRM tools to monitor the quality of our services. We would continue to innovate to delight customers and inspire investors and stakeholders to be associated with HSIL's corporate credo of value creation for all.

Warm Regards



Sandip Somany

Joint Managing Director

WE ARE HONOURED!

At HSIL, we have relentlessly pursued quality excellence and created market leading products with excellent functionality, exclusive designs and high reliability. We are proud to have been recognised for our efforts.



Building Products

Awarded the Reader's Digest trusted Brand award, Gold

Consumer & Industry Validated Superbrands

Asia's Most Promising brand, hindware

Packaging Products

Awards received during the year 2013-14 by AGI Glaspac

Name of award	Occasion	Award given by
Citation - For Compliance to Supplier Guiding	Strategic Supplier Summit - 2014	Hindustan Coca Cola Beverages Pvt. Ltd
Principles & Global Food Safety Initiative	Held in Bangalore	(HCCBPL), Gurgaon
For Supplier Guiding Principles for 3 year compliance in 2013	Strategic Supplier Summit – 2014 held in Bangalore	HCCBPL
Gold Award - 2013 Supplier Performance	Strategic Supplier Summit – 2014 held in Bangalore	HCCBPL
Certificate of Commendation for 2012-13 for Energy Conservation - in the category of Large /Medium / small scale Industries sector	During Energy Conservation Week Celebrations Function	New & Renewable Energy Dev. Corpn of AP Ltd / Government of A.P., Hyderabad
Citation for Quartz & Feldspar Mines Group-A Overall Performance – 2014	During Mines Safety Week Celebrations Function	Mines Safety Council, Golconda Region, Hyderabad
Environment Health & Safety Award for 2013 presenting 2 Star rating to Hyderabad and Bhongir Plant		Confederation of Indian Industry Southern Region, Chennai

REFRESHING APPROACH



“We are focusing our collective energy and insight on what matters most to our customers, investors and the wider fraternity of stakeholders in a dynamic socio-economic landscape. It’s a refreshing approach to doing business.”

Business in the twenty-first century is all about being aware of the next wave of change in society and economy and being prepared for it. At HSIL, we are strengthening our industry preparedness and getting better every day.

Capacity expansion

We are expanding our production capacity to become one of the top 10 sanitaryware players globally. We are setting up our third manufacturing plant in Gujarat (1.2 million units annual capacity) with an estimated ₹ 150-crores investment. This will take our combined annual capacity to 5.4 million units by 2017. With enhanced capacity, state-of-the art equipment, process optimisation and product innovation, HSIL today has a bold and refreshed strategy for value creation.

Growing presence

We are also strengthening our distribution network by expanding our owned retail and dealer stores. Besides, we are expanding our institutional client base to have a broad revenue mix. In the retail segment, we are focusing on more of our own branded stores in the coming years. Currently, we have a strong distribution network of 18,000 retailers, 2900+ dealers, 19 service locations comprising 300 plumbers at 150 resident locations covering 600+ districts across India. This apart, we have 458 hindware shop-in-shops and over 100 hindware Gallerias.

Premiumisation

To leverage the growing focus on premium products, we are setting up a large number of exclusive hindware Lacasa display centres. These display centres showcase hindware's entire bouquet of top-tier product range for a wide cross-section of customers, architects, designers to end consumers.

HSIL'S BUILDING PRODUCT DIVISION REPORTED HIGHEST EVER EBIT MARGIN OF 21.17% IN 2013-14. THIS WAS PRIMARILY ON ACCOUNT OF ENHANCED SALES, HIGHER PROPORTION OF VALUE-ADDED PRODUCTS AND IMPROVED EFFICIENCIES.

₹ **1,889**
CRORES

TOTAL REVENUE

₹ **95+**
CRORES

EXPORT SALES

₹ **56+**
CRORES

PAT

As on 31 March 2014

REALIGNED STRATEGY



“We have taken time-critical decisions in key areas in line with shifting market realities. It’s a realigned strategy to counter headwinds and be future ready.”

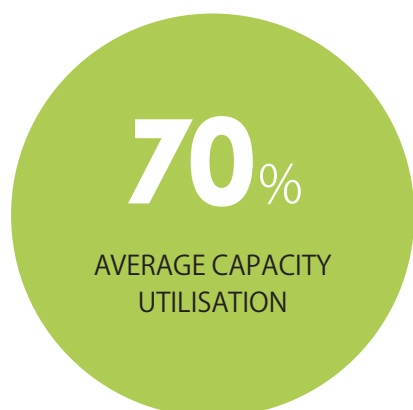
CHALLENGES ARE MORE A NORM THAN AN EXCEPTION IN ANY INDUSTRY TODAY. THE WAY FORWARD IS TO ALWAYS REMAIN FIGHTING FIT TO CREATE VALUE FOR THE LONG TERM.

The packaging industry witnessed overcapacity last year, impacting performance of all market players. With an installed capacity of 1,600 TPD, HSIL is the second largest producer of container glasses in the country. Our forward-looking strategies helped us minimise the adverse market impact. As a result, during 2013-14 our capacity utilisation stood at 70% (more than the industry average of 65%).

Faced with rising input costs, high operational expenditure and increasing inventory, we adopted the following strategic measures to enhance competitiveness of the Packaging Products Division:

- Reduced costs aggressively and purchased imported raw materials in advance to counter currency volatility;
- Optimised the utilisation of raw materials to counter rising prices of soda ash and fuel; shut down one furnace;
- Controlled transportation costs with planned logistics;
- Standardised operational procedures and leveraged updated technology to manufacture light weight bottles for pharma and soft drink sectors;
- We worked with on-demand orders only and tightened our indents and purchases;

- Installed automated inspection machinery, which reduced rejection and improved efficiencies significantly;
- Diversified our product portfolio by focusing on the manufacture of small bottles and specialty products;
- Widened our exports to Africa, North and Latin American markets;
- Attained international quality certifications (the most recent being by the pharma sector); our facilities are audited and approved by Coke, Pepsi, Sab Miller, Diageo and Unilever;



REFRESHINGLY GREEN

At HSIL, we have always taken a keen interest in developing water saving products for the Indian market. Sustainability is the key in today's world and green buildings are a growing trend.





Our offerings include high efficiency flushing systems, sensor operated faucets, shower panels, waterless urinals, which help conserve water, a rapidly diminishing natural resource. We are also the first company to launch WEP – 1 (water efficient) Star Rated water closets in India.

The certification was conducted by the International Association of Plumbing and Mechanical Officials (IAPMO), a recognised body established in 1936 by the building industry worldwide for supporting sustainability and emerging technology over 70 years now.

Water Efficient Products – India (WEP-I), is a set of recommendations for design, engineering, manufacturing, selection, installation and maintenance of water-efficient plumbing products for domestic and commercial applications in India. The use of WEP-I is intended

to encourage use of water-efficient products, to incorporate and implement the latest technology and systems and provide uniformity in the performance of products.

Our eco-range of products are not limited to any sanitaryware products, we have also introduced eco-friendly hindware Tiles made from recycled and non-toxic materials. hindware Tiles have been awarded by the GRIHA (Green Rating by Integrated Habitat Assessment) certification, a first for tiles category in the market.

This accomplishment asserts the fact that hindware tiles are environmentally sustainable products and meet the GRIHA parameters to support the cause of green buildings. These products can be used in the GRIHA and SVAGRIHA registered projects as well as by retail consumers.

HINDWARE TILES CERTIFIED BY GRIHA:

- HD Digital Glazed Vitrified Tiles
- Stain Free Multi-Charge Vitrified Tiles
- Stain Free Soluble Salt Vitrified Tiles
- TechGranit Full Body Vitrified Tiles
- Exterio Vitrified Tiles

FINANCIAL HIGHLIGHTS

Balance Sheet

	2009-10	2010-11	2011-12	2012-13	₹ in lacs 2013-14
Equity Share Capital	1,100.55	1,320.97	1,320.97	1,320.97	1,320.97
Reserve and Surplus	31,067.14	37,883.32	46,590.40	54,184.51	57,414.50
Share Premium	6,840.63	21,144.82	21,144.82	21,144.82	21,144.82
Business Reconstruction Reserve	9,767.37	9,767.37	32,267.37	32,267.37	32,267.37
Secured Loans	31,026.64	33,719.37	59,153.30	69,192.40	95,899.86
Unsecured Loans	17,889.11	5,646.79	25,648.31	31,897.26	15,285.68
Deferred Tax Liability	5,411.85	7,311.84	7,382.86	11,008.86	11,540.41
Total Liabilities	1,03,103.29	1,16,794.48	1,93,508.03	2,21,016.20	234,873.61
Gross Block	1,01,191.13	1,06,205.69	1,39,809.21	1,80,209.52	2,03,930.27
Less: Depreciation	26,611.70	28,220.58	33,611.36	41,886.93	55,207.18
Net Block	74,579.43	77,985.11	1,06,197.85	1,38,322.59	1,48,723.10
Capital Work-in-Progress	779.26	5,621.24	36,859.02	9437.29	15,042.62
Investments	5,540.70	10,038.23	18,646.72	19,706.93	13,274.00
Current Assets					
Inventories	15,658.67	20,698.96	27,327.53	36,206.83	40,573.00
Sundry Debtors	13,973.72	16,148.08	22,471.22	35,109.80	40,937.84
Cash & Bank	1,621.12	2,538.44	7,656.66	8,030.66	6,011.91
Loans & Advances	7,224.12	5,234.41	6,761.48	7,695.84	5,717.12
Other Current Assets	44.99	41.05	133.59	173.16	198.90
Current Liabilities					
Sundry Creditors	10,272.93	12,454.44	20,720.82	19,375.33	19,773.02
Provisions	1,729.60	2,452.51	3,058.36	2,895.97	3,185.03
Other Liabilities	4,316.19	6,604.11	8,766.86	11,395.60	12,646.84
Net Current Assets (Working Capital)	22,203.90	23,149.90	31,804.44	53,549.39	57,833.88
Total Assets	1,03,103.29	1,16,794.48	1,93,508.03	2,21,016.20	234,873.60

Statement of Profit & Loss

	2009-10	2010-11	2011-12	2012-13	₹ in lacs 2013-14
Gross Turnover	83,572.71	1,10,632.50	14,2214.52	1,68,189.20	1,85,571.06
Less: Excise Duty	4,699.20	7,395.55	9,929.88	13,161.18	13,887.77
Net Turnover	78,873.51	1,03,236.95	1,32,284.64	1,55,028.02	1,71,683.29
Other Income	1,391.71	2,344.88	2,201.35	2,806.21	3,338.22
Stock Variation	1871.81	2843.50	3295.54	7646.94	4,101.52
Total Income	82,137.03	1,08,425.33	1,37,781.53	1,65,481.17	1,79,123.03
Goods Purchased for Resale	10,798.68	15,855.94	21,274.04	22,524.97	28,867.21
Power & Fuel	16,687.09	19,904.74	27,269.87	39,654.64	37,701.70
Manufacturing, Administrative & Other Expenses	30,931.87	39,496.45	49,391.97	61,058.37	68,421.86
Employee Cost	8,239.30	11,508.78	14,017.79	15,832.76	17,020.54
Total Expenses	66,656.94	86,765.91	1,11,953.67	1,39,070.74	1,52,011.31
EBITDA	15,480.09	21,659.42	25,827.86	26,410.43	27,111.72
Interest	4,008.67	3,563.27	3,891.21	6,394.16	6,789.43
Gross Profit	11,471.42	18,096.15	21,936.65	20,016.27	20,322.29
Depreciation & Amortisation	4,903.81	5,349.81	5,670.28	8,507.78	10,570.48
PBT Before Exceptional Items	6,567.61	12,746.34	16,266.37	11,508.49	9,751.81
Exceptional Items	0.00	0.00	0.00	2,366.30	-
Profit after Exceptional Items	6,567.61	12,746.34	16,266.37	13,874.79	9,751.81
Income Tax	144.00	2,111.15	5,185.45	336.54	4,249.81
Deferred Tax	1,180.90	1,899.99	71.02	3,626.00	-117.97
Profit After Tax	5,242.71	8,735.20	11,009.90	9,912.24	5,619.97
Cash Profit	11,327.42	15,985.00	16,751.20	22,046.03	16,072.48

RATIO ANALYSIS

Key Performance Indicators

	2009-10	2010-11	2011-12	2012-13	₹ in lacs 2013-14
Networth *	39,008.32	60,349.11	69,056.19	76,650.30	79,880.29
Capital Employed **	1,03,103.29	1,16,794.48	1,93,508.03	2,21,016.20	234,873.61
Average Capital Employed	89,646.37	1,09,948.89	1,55,151.25	2,07,262.11	227,944.90
Average Loan Funds	47,910.56	44,140.96	62,083.89	92,945.64	106,137.60
Cash Profit	11327.42	15985.00	16751.20	22,046.03	16,072.48
Net Domestic Turnover	73,298.27	96,732.96	1,24,806.72	1,45,693.81	162,155.96
Export Turnover	5,575.24	6,503.99	7,477.92	9,334.21	9,527.33
Dividend (%)	100.00	125.00	150.00	150.00	150.00
Market Price - (₹) (End of year at NSE)	78.85	132.65	143.65	91.05	130.85
Total Dividend Payout(including Dividend Tax)	1,287.54	1,919.02	2,302.82	2,318.13	2,318.13
Retained Earnings	3,955.17	6,816.18	8,707.08	7,594.11	3,301.84

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

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

Balance Sheet Ratios

	2009-10	2010-11	2011-12	2012-13	2013-14
Return on Networth (%)	13.44	14.47	15.94	12.93	7.04
Return on Average Capital Employed (%)	11.80	14.83	12.99	9.78	7.26
Debt Equity Ratio	1.25	0.65	1.23	1.32	1.39
Debtors Cycle (Days)	61	53	58	76	81
Creditors Cycle (Days)	48	44	57	46	42
Inventory Cycle (Days)	68	68	70	79	80
Net Current Assets Turnover (Days)	103	82	88	126	123
Turnover/Net Current Assets	3.55	4.46	4.16	2.90	2.97
Turnover/Inventory	5.34	5.34	5.20	4.65	4.57
Turnover/Capital Employed	0.81	0.95	0.73	0.76	0.79
Turnover/Net Block	1.12	1.42	1.34	1.22	1.25
Net Block/Capital Employed	0.72	0.67	0.55	0.63	0.63
Working Capital/Capital Employed	0.22	0.20	0.16	0.24	0.25

Statement of Profit & Loss Ratios

	2009-2010	2010-11	2011-12	2012-13	2013-14
Domestic Sales/Turnover	92.93	93.70	94.35	93.98	94.45
Export Sales/Turnover	7.07	6.30	5.65	6.02	5.55
Excise/Turnover	5.96	7.16	7.51	8.49	8.09
Margins (%)					
EBITDA Margin	19.63	20.98	19.52	17.04	15.79
Gross Profit Margin	14.54	17.53	16.58	12.91	11.84
Pre Tax Profit Margin	8.33	12.35	12.30	7.42	5.68
PAT Margin	6.65	8.46	8.32	6.39	3.27
Expenses					
Goods Purchased for Resale/Total Expenses	16.20	18.27	19.00	16.20	18.99
Power & Fuel/Total Expenses	25.03	22.94	24.36	28.51	24.80
Manufacturing, Administrative & Other Expenses/Total Expenses	46.40	45.52	44.12	43.90	45.01
Employee Cost/Total Expenses	12.36	13.26	12.52	11.38	11.20
Interest Cover (times)	3.86	6.08	6.64	4.13	3.99
Cost of Debt (%)	8.37	8.07	6.27	6.88	6.40
Per Share Data (₹)					
EPS (Face Value ₹ 2/-)	9.53	14.47	16.67	15.01	8.51
CEPS (Face Value ₹ 2/-)	20.59	26.48	25.36	33.38	24.34
Book Value	70.89	91.37	104.56	116.06	120.95

Note : As per new schedule VI of Companies Act some of the heads like current assets, current liabilities, loan fund etc. have been classified differently. In the balance sheet for the year 2010-11, 2011-12, 2012-13 and 2013-14 we have adjusted these numbers in line with old schedule VI, for ease of comparison with earlier years.

BOARD OF DIRECTORS

1

Rajendra K Somany

Chairman and Managing Director
Since: 09.01.1988



2

Sandip Somany

Joint Managing Director
Since: 11.11.1994 (Associated with
the Company since 01.10.1985)



3

Sumita Somany

Since: 29.05.2014



4

Ashok Jaipuria

Since: 15.05.2004




5

G. L. Sultania

Since: 09.01.2006





6


N.G. Khaitan


Since: 29.06.1996

7

Dr. Rainer Siegfried Simon

Since: 18.05.2011





8


V. K. BHANDARI

Since: 17.01.2004

9

SALIL BHANDARI

Since: 29.05.2012



1

Rajendra K Somany

Chairman and Managing Director

- Commerce graduate from St. Xavier's College, Calcutta University
- Provides strategic direction and vision to the Company
- Extensive 59-year work experience
- Active member of Rotary for past 52 years
- Executive Committee member of Indian Green Building Council (IGBC)
- Chairman of Indian Plumbing Skills Council (IPSC)
- Presented with 'Lifetime Achievement' award by Washroom & Beyond, reputed trade magazine
- Presented with 'Lifetime Achievement' award by India Plumbing Association (IPA)
- 'World Leader Businessperson' recognition by the World Confederation of Business
- Assisted the Bureau of Indian Standards to develop quality standards for the Sanitaryware Industry & instrumental in aligning the Indian Standards with European counterparts
- Former Chairman of Council of Indian Employers
- Former President of The Associated Chambers of Commerce and Industry of India (ASSOCHAM) and PHD Chamber of Commerce and Industry (PHDCCI) and Employers' Federation of India
- Founder President of Bahadurgarh Chamber of Commerce and Industry
- His expertise has won him the fellowship of Institute of Ceramics, U.K. and life fellowship of All India Management Association
- He is also the Emeritus Member of the American Ceramic Society, Fellow of the Chartered Management Institute of UK (FCMI) and Member of the Institute of Materials, Minerals and Mining, UK (IOM³)

2

Sandip Somany

Joint Managing Director

- Commerce graduate and a diploma holder in Ceramic Manufacturing Technology from the US
- A 29-year work experience in the ceramics and glass industry
- Former President of PHD Chamber of Commerce and Industry (PHDCCI)
- Chairman of the Indian Council of Sanitaryware Manufacturers (INCOSAMA)
- Member of the Executive Committee of FICCI and Member of Managing Committee of ASSOCHAM
- Vice President of International Chamber of Commerce – India Chapter
- Member of the Governing Council of All India Glass Manufacturer's Association

3

Sumita Somany

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

4

Ashok Jaipuria

- Qualified in Business Administration and Marketing Sciences
- Chairman & Managing Director of Cosmo Films Limited, an Indian MNC, which is into manufacture and export of Biaxially Oriented Polypropylene (BOPP) Films
- Chairman of Cosmo Ferrites Limited
- Member of the Board of Governors of the Indian Institute of Technology, Indore, The Institute of Liver & Biliary Sciences and Delhi Public School, Gurgaon
- Member of Audit Committee and Nomination and Remuneration Committee of the Company

5

G. L. Sultania

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

6

N. G. Khaitan

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

7

Dr. Rainer Siegfried Simon

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

8

V. K. Bhandari

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

9

Salil Bhandari

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

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MANAGEMENT DISCUSSION AND ANALYSIS

At the heart of HSIL's refreshed and realigned business strategy is the Company's ambition to match, fulfil, and exceed customer aspirations. We are aware of the relentlessly progressive market, driven by new age consumers and the need to cater to those expectations with a fresh perspective. The reason is simple: today's lessons become irrelevant tomorrow in an integrated world, where lifestyle trends are closely watched and emulated across geographical boundaries. Therefore, our corporate mandate is to become an architect of 'design innovation' and deliver with a 'single minded focus', 'evolving desires' by virtue of organised and planned use of 'innovative technologies'. After more than five decades as one of the leading manufacturers and suppliers of sanitaryware, bathroom fittings and tiles, HSIL is a respected entity, both nationally and internationally.

1. Building Products Division

The Building Products Division reflects our theme which can be seen in our strategically thought about product lines. They echo our reinvigorating approach and market adaptability. Positioned tactically, the diversity of the product portfolio has once again established us as a 'brand of choice', well-loved across a wide section of the population.

With a growing economy and rising disposable income, India's drive for urbanisation is taking place at a faster rate. People in smaller cities and towns are now aspiring for a better quality of life, a result of which is the unprecedented growth of the real estate sector in India. The total realty market in the country which comprises housing, retail, hospitality and commercial segments is expected to touch around US\$ 180 billion by 2020 (Source: Business Monitor International, Aranca Research).



US\$ **180**
BILLION

ESTIMATED VALUE OF REAL
ESTATE BY 2020

Growing middle class

The middle-income segment has been one of the principal drivers of this real-estate boom. This segment has grown from 11 million households in 2001-02 to 31 million households by 2010-11, and is further expected to grow to 53 million households by 2015-16 and 114 million households by 2025-26.

A scenario which shall complement the growth of the Building Products Division, going forward.

1.1 An overview

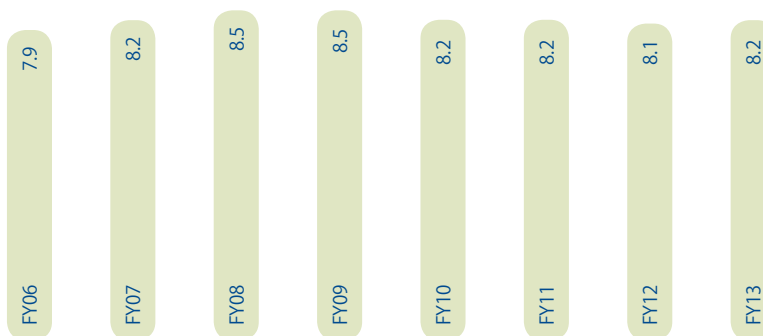
The real estate sector now accounts for a significant proportion of the nation's GDP, (close to 5%) and is likely to touch US\$ 180 billion by 2020 (Source: BMI, Aranca Research). This growth projection reveals the on-ground reality of transforming socio-economic society in the country. A lifestyle shift is taking place which is leading to demand for better homes

and change in perception about the bathroom space, an integral part of good living, which in turn is boosting the need for smarter products.

The middle-income segment has been one of the principal drivers of this real-estate boom. This segment has grown from 11 million households in 2001-02 to 31 million households by 2010-11, and is further expected to grow to 53 million households by 2015-16 and 114 million households by 2025-26 (Source: National Council for Applied Economic Research)

Construction sector's contribution to GDP

(%)



(Source: Planning Commission Data Book)

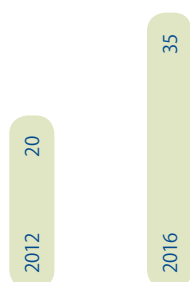


1.2 Sanitaryware and bathroom fittings industry

India's sanitation coverage is a mere 40% among the world's lowest. Lack of proper sanitation increases the risk of health hazards and spread of epidemics. India's sanitaryware and bathroom fittings industry together is valued at around ₹ 80 billion (with sanitaryware accounting for more than ₹ 28 billion and bathroom fittings accounting for the remaining ₹ 52 billion). The country's sanitaryware market accounts for around 8% of global production and ranks second in the Asia-Pacific region in volume.

Sanitaryware market size and growth

(₹ in billion)



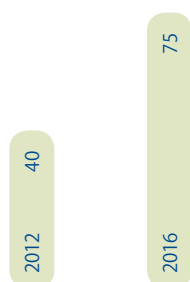
(Source: PWC Report)

1.2.1 Market snapshot

The sanitaryware market has been growing at a CAGR of 12.5% since 2010, and the trend is likely to continue through 2016 with the organised sector accounting for around 60% growth. The bathroom fittings market is expected to record a CAGR of 15% until 2016, with the organised sector increasingly gaining market share.

Bathroom fittings market size and growth

(₹ in billion)



(Source: PWC Report)

1.2.2 Market analysis

Particulars	Market trends	Market adaptability of HSIL
Experiential	There is a rising demand for concept washrooms and coordinated sanitaryware, fittings and accessories	HSIL is among the frontrunner industry players to offer modern-day products and solutions for the sanitaryware segment. Our newly launched hindware Lacasa display outlets, conceptualise the 'under one-roof' belief, enriching customer experience
Water conservation	Bathrooms being the largest water-consumption locations, there is an increasing customer demand for eco-friendly products	HSIL is the first company to introduce Star Rated, efficient flushing system and has been awarded the Water Efficient Products(WEP)-1 certification from the international body, International Association of Plumbing and Mechanical Officials (IAPMO). This eco-range of closets aims to save 50,000 ltrs of water per household per annum. Such innovative solutions are a priority to battle environmental concerns
Premiumisation	Increased spending power among consumers is being realigned with premium product purchase	The Company has more than 53% of its total revenue driven by premium products
Design	Increasing realignment towards products that follow global benchmarks	The Company has a dedicated R&D team comprising of 35 designers including 3 expats who design products, which are clutter-free, trendy and modern
Convenience	The market is witnessing demand for innovative products, adding comfort and convenience to the lives of consumers	HSIL's fast-growing product basket include those incorporating cutting-edge technologies that help match the needs of discerning customers

Particulars	Market trends	Market adaptability of HSIL
Replacement market	Apart from the real estate boom, there is a fast-growing demand for high-end sanitaryware and bathroom fittings among people aspiring to shift towards high-end lifestyle. This has given a boost to the replacement market, creating new demand for new products	The Company's wide dealer network, backed by its independent showrooms ensures close proximity to its customers. Wide range of product offerings at various price points enables HSIL to enjoy high replacement demands
Urbanisation	India has the world's largest rural population (857 million) followed by China. This presents a huge opportunity for untapped urbanisation in the country	HSIL has a presence in more than 600+ urban towns in India, with a pan-India base dealer network (including Tier-I, Tier-II and Tier-III cities) that enables it to reach out to multiple customers
Brand consciousness	Customers are relatively getting more focused on branded, aesthetically looking products and after-sales services. They are gradually shifting from the unorganised market offerings which comprise a large portion of the industry at present	HSIL is a frontrunner in the organised market segment within the country, with more than 40% market share

Pan-India presence

HSIL has a presence in more than 600+ urban towns in India, with a pan-India base dealer network (including Tier-I, Tier-II and Tier-III cities) that enables it to reach out to multiple customers.





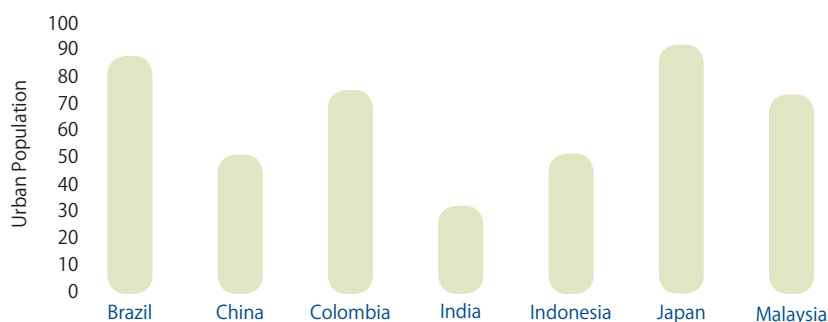
1.2.3 Market opportunities

Urbanisation

The expected rapid increase in the country's urban population, from 377 million in 2011 to about 600 million by 2031 is likely to drive urbanisation (Source: Ministry of Tourism).

This would lead to enhanced demand for modern housing and building products. In addition, the newly formed central government plans to develop at least 100 smart cities.

Urban population (% of total population)



(Source: Cushman & Wakefield Research, Central Intelligence Agency)

Infrastructure growth

The new government's focus on improving sanitation levels is very high, targeting 'toilet in every household by 2019'. There is also a big thrust on large infrastructure projects by Govt. Spurring a tight fabric of social infrastructure the budget also proposes to inject ₹ 4,000 crores for affordable housing, ₹ 8,000 crores for the rural housing scheme, and make

subsidy programmes targeting the marginalised. It has already cleared big-ticket investment projects, which were held up for decades, because of hurdles ranging from bureaucratic apathy, environmental issues and financing problems. A huge infrastructure renewal is on the anvil, as the government gears up to clear roadblocks that plagued the infrastructure sector for a decade and impacted economic growth.

Demographic advantage

With 50% of its population below the age of 30, India is one of the world's youngest nations.

Demographic advantage

With 50% of its population below the age of 30, India is one of the world's youngest nations. To be more specific, the country has 150 million people between the ages 18-23. The country's 'youth bulge' is unequivocal about change and demand better products and a globally-benchmarked standard of living. The demographic landscape of India is progressive, open minded, hygiene conscious with an enriched

knowledge of the need for better sanitation and appreciates beauty in design. Blending this mindset with their heightened affordability status, the scope for creating and implementing fresh new ideas in style and technologies increases substantially. Such a scenario is constructive and opens up an opportunity to explore new ideas. (Source: <http://time.com/65071/india-elections-youth>)

Population break-up of India

(in million)



(Source: Cushman & Wakefield Research, Central Intelligence Agency)

Housing shortage

The demand for housing units is expected to increase by another 26.33 million units by 2017 from the current levels, due to population growth alone, assuming that the current rate

of growth of approximately 1.41% is sustained. Consequently, while many other countries have a correlation of housing to GDP that exceeds 0.90%, in India, the correlation is expected to be around 0.78%.





Sanitation drive

According to Census 2011, the national sanitation coverage is around 40%, whereas rural sanitation coverage has remained a mere 30.7%. Only around 4% of the total 6 lacs villages in the country are free from the practice of open defecation.

Regulatory comforts

The governments at both the state and national levels are taking key measures to revitalise the real estate and housing sector in the country. Some of these measures include relaxation of FDI norms; replacing the Land Acquisition Act, 1984 with the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act; and plans to introduce the Real Estate Regulation Bill.

Sanitation

According to Census 2011, the national sanitation coverage is around 40%, whereas rural sanitation coverage has remained a mere 30.7%. Around 4% of the total 6 lacs villages in the country are free from the practice of open defecation.

The government is also committed towards improving sanitation levels in the country and has launched a multi-million dollar sanitation project, 'Nirmal Bharat Abhiyan' to raise awareness. The project envisages providing sanitation and sewerage facilities to over 36 million households across the country, identifying key areas needing special attention. The main objective of this campaign is

to eradicate the practice of open defecation by 2019. At HSIL, we believe these initiatives collectively will help improve the sanitation situation, and escalate the demand for the Building Products Division.

QUICK FACTS

22.39%

The share of toilets that are allegedly missing and were to be constructed under various government schemes

40%

The share of the poorest who have barely benefited from the gains in sanitation policies

Distribution network

With a balanced revenue mix, our sales network of 2900+ dealers and 18000+ retailers caters to a large retail customer base across the country

100+

NEW PRODUCTS LAUNCHED

1.3 Company overview

HSIL is the country's largest player in the sanitaryware industry (within the organised market) having more than 40% market share. We have consistently transformed our product line over the years, offering pleasing styles, modern and inventive design concepts subtly aligning product and customer requisite as well as addressing imminent environment need for water efficiency in the process. With a balanced revenue mix, our sales network of 2900+ dealers and 18000+ retailers caters to a large retail customer base across the country.

1.3.1 Strengths of the Building Products Division

Invest in quality-driven products

We have been regularly investing in state-of-the-art technologies to produce top-tier quality standards. We have a dedicated vendor base framework to source quality raw materials to match international standards.

Marketing network

We have a strong marketing and distribution channel, giving our products an extensive reach across India. It is backed by a proactive sales team, supported by a robust dealer network and countrywide depots.

New revenue streams

During the year, we have launched 100+ new products in the Building

Products Division. In addition, we expect to strengthen our synergies in the segment by realigning our faucets, kitchen appliances and tiles portfolio.

Customer focus

In our endeavour to optimise market opportunities through the retail route, our tailor-made marketing strategy does not end with the point of sale. We have a dedicated round-the-clock customer service team and a toll free number for consumers to address their grievances, which guarantees repair within 48 hrs. The entire process seamlessly supports the company's brand value of last mile connectivity with consumers.

Large capacities

We have been continuously expanding our capacities in a cost-efficient manner. In addition, we have a highly effective logistics process to ensure that our products reach our customers on time, everytime.

Branding

We have been able to execute our marketing strategies to create a compelling brand recall for our products. The smooth workings of marketing and communication have helped develop a cogent brand communication approach, a conscious decision leading to substantial growth in sales and brand recall.



1.3.3 Financial review

Highlights, 2013-14

- Achieved 17.9% increase in revenues
- Building products accounted for 49.2% of the company's revenues (46.1% in 2012-13)
- EBIT improved 34.6% to ₹ 18,280 lacs from ₹ 13,579 lacs in 2012-13

1.3.4 Future roadmap

Going ahead, our faucet plant with total annual capacity of 2.5 million pieces will commence commercial production shortly. This takes our total capacity to 3.0 million pieces, and gives us optimism to be among

the top two faucet brands in the country. This large capacity makes us one of the integrated and holistic premium bathroom products suppliers with sanitaryware, kitchen appliances, faucets, tiles and extractor fans. We also intend to further penetrate into Tier-I, Tier-II and Tier-III cities with setting-up high-street retail outlets, showcasing our range of products. We are also optimistic about the success of Amore and Queo as both the products have been well accepted by the customers in a short span of time. We shall leverage our in-depth distribution network to further enhance the growth of both the products.

2. Packaging Products Division

Over the years, at HSIL, we have achieved and sustained leadership in the container glass segment in South India. We have now decided to consolidate our capabilities as part of a realigned strategy bringing in PET bottles under the division's fold and renaming the division 'Packaging Products Division', (formerly 'Container Glass Division'). The Division's performance has been impacted by muted demand owing to excess supply. However, our consistent policy of innovation and foray into niche segments, such as specialty coloured bottles have proved to be largely successful.

1.3.2 Operational review, 2013-14

₹ **929.28**
CRORES
REVENUE

100+
NEW PRODUCT
LAUNCHES

₹ **174.22**
CRORES
PROFIT BEFORE TAX



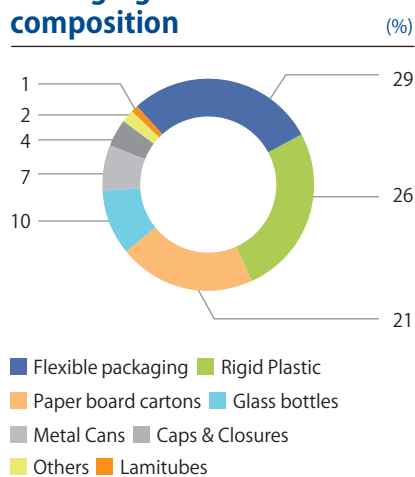
2.1 An overview

The Global Glass Packaging market was worth around US\$ 36.8 billion in 2013. (Source: Gulf Glass Intelligence Report) The Container Glass category accounts for the biggest share of the market of total global glass production. The 'container glass' vertical provides a diverse range of glass packaging solutions for food, pharmaceuticals, soft drinks, spirits, beer, wine and other industries.

India's packaging industry (comprising glass, metal cans, flexible packaging, rigid plastics, printed cartons and others) has been steadily growing at around 13-15% over the past couple of years. The industry is estimated at around US\$ 8.7 billion and is forecasted to reach US\$ 15 billion by 2017-18 (Source: Company Packaging Markets in India, Madras Consulting Group)

Of the total packaging market, the container glass market is estimated to be worth around US\$ 1.1 billion and is estimated to grow in the long term owing to low per capita glass consumption and increasing consumption of packaged commodities due to higher disposable income. The overall packaging market can be classified into the following with relevant market share:

Packaging market composition



In addition to the Glass Container vertical the Company is also exploiting the potential in the PET container market with another vertical for this business within Packaging Products Division under the name 'Garden Polymers'. It is a leading supplier of PET Container in FMCG, spirits and pharmaceutical industries.

2.2 Container glass segment

India is among the top 15 markets in the world for glass packaging. The consumer glass packaging market is growing at a rate of 8-10% per annum. During 2013-14, overcapacity leading to supply

glut in the market, along with poor quality products and uncompetitive pricing of small manufacturers impacted the performance of prominent industry players.

2.2.1 Market snapshot

The container glass industry in the country has witnessed significant transformation since its inception in the early 1950s. According to the All India Glass Manufacturers' Association (AIGMA), it is estimated that 7 million tonnes of glass is manufactured in India every year, covering four major segments - container glass, specialty glass, flat glass and fibre glass. India is one of the leading exporters of glass in the world, with USA, Japan, Germany, France, Italy and Australia being the other major market participants.

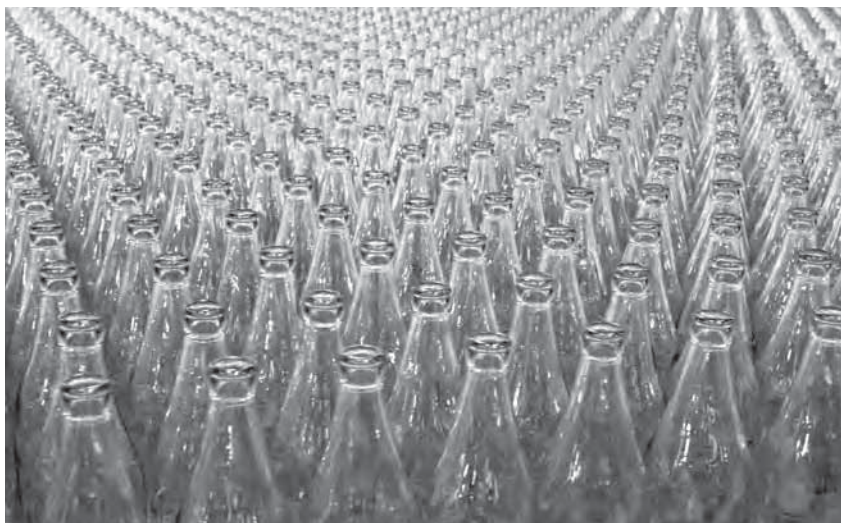
The rising consumption of plastic in packaging industry will see consumption levels rise to 10.0 million tons by 2020. The PET industry has been growing at 19.2% since 2007-08 to 2012-13, and is expected to grow further.



7500

TPD

ESTIMATED SIZE OF THE
CONTAINER GLASS
INDUSTRY



2.2.2 Market analysis

Particulars	Market trends	Market adaptability of HSIL
Capacity	The glass industry in the country has grown from 5000 TPD to 7500 TPD in the recent past, with industry players setting up new capacities. Plastic Packaging is also showing good demand	Post the furnace set-up in 2012-13 our Container Glass Segment capacity stands at 1600 TPD. Further, our PET bottle capacity will also address the increasing demand of PET bottles in the country
Quality levels	New quality reviews for various products are increasing the need for light-weight and quality-driven products	We comply with the highest standards in terms of product quality and safety across the value-chain
Cutting-edge technology	The industry has shown a gradual inclination towards cutting-edge technologies and modern automated processes. This has opened up new opportunities and innovations in the market	The Company has state-of-the-art manufacturing facilities in Uttarakhand, Telangana and Karnataka
Global market	The industry is witnessing sustainable rise in exports from India. Substantial investments in technology and adherence to stringent global quality norms have led to rising demand for Indian products	Our container glass exports have grown consistently with total presence in more than 17 countries
Eco-friendly	There is a growing emphasis on manufacturing, recycling and waste disposal in an environmentally sustainable manner	We have proactively adopted relevant measures to reduce our carbon emissions and manufacture products in an environmentally sustainable manner

2.2.3 Market opportunities

Alcohol industry

India is a dominant producer of alcohol in the South East Asian region with 65% market share. Alcohol consumption in the country has also grown at a rate of 10-15% every year, with more than 30% of the population consuming alcohol and 4-13% doing so on a daily basis. Demand for container glass is thus likely to rise in the coming years (Source: Alcoholic Beverages Industry in India Report).

QUICK FACTS

10-15%

Growth of India's alcohol consumption every year

₹ 1400 billion

Alco-bev industry to grow by 2015

30%

Of Indians consume liquor

Non-alcoholic beverage industry

Food and beverages account for a large part of the consumer spending (more than 30%), compared to other emerging markets (Brazil at 17%, China at 25%). The non-alcoholic beverage sector accounts for over 1% of India's GDP and is gradually rising over the years. (Source: Food Processing Industry in India Report, 2014).

Pharmaceutical industry

India offers promising growth opportunities for domestic pharmaceutical companies. The pharma market is valued at ₹ 72,069 crores in 2013. As the industry is more or less immune to economic volatilities, there is tremendous possibility for growth, going forward (Source: PWC report, Oct 2013).

Growing insurance coverage, rising income, greater awareness of personal health and hygiene, easy access to high-quality healthcare facilities and favourable government initiatives are some of the important factors expected to drive India's pharma industry. Such a scenario augurs well for HSIL's Packaging Products Division.

Food packaging industry

India's packaged food industry, valued at more than US\$ 24 billion, is expected to grow at a CAGR of 12% during the next 4-5 years. The per capita consumption of packaged food in India stands at a meagre 4.3 kg as

Non-alcoholic beverage

The overall growth rate of non-alcoholic beverages in India is expected to reach 16.5-19% over the next three years

against Germany's 42 kg and Taiwan's 20 kg. Within the food packaging industry, the container glass segment is growing at a rate of 15% annually, which in turn, provides ample scope for growth.

PET bottle

Globally PET demand is expected to grow at a CAGR of 5-6% over the next five years. The domestic PET demand is expected to grow at 15-18% over the next three years. The superior characteristics of PET and robust demand growth, is expected to drive the growth of PET bottles for the Company. (Source: Crisil, December 2013)

2.3 Company overview

HSIL is India's second-largest container glass producer with more than 17% pan-India market share. Having two manufacturing facilities in Telangana (Hyderabad and Bhongir), we are one of the largest players in South India, having 66% market share. We manufacture products under the AGI brand name, which caters to various end-user industries, such as non-alcoholic beverages, pharmaceuticals, food, beer and liquor, among others. Our refreshed and realigned strategy will continue to create opportunities for the Division.



Garden Polymers (earlier a 100% subsidiary) is now a new vertical at HSIL, and is amongst the leading suppliers of PET bottles in India. Catering to diverse sectors. Garden Polymers has state-of-the-art manufacturing facilities providing customised products and solutions.

2.3.1 Strengths of the Packaging Products Division

Bridging demand-supply gap

Being among the top two players in the container glass segment, at HSIL we possess a total capacity of around 1,600 TPD. Considering the expected growth in the industry, we are well-equipped to cater to the enhanced demand, backed by

our expanded on-stream capacities. We are well-positioned to address the increasing demand of PET bottles with Garden Polymers which has a capacity of 9,500 TPA.

Diverse portfolio

HSIL is the country's sole manufacturer of specialty coloured bottles over and above regularly manufacturing bottles in 3 colours; flint, amber and green catering to the demands of niche players in this segment. Our specialised technologies help us maintain the high quality of our products and are import substitutes. Our PET bottles are also geared up to address multiple needs of various downstream industries.

Integrated

We have evolved our processes and aligned them with an integrated channel-based approach, sourcing raw materials through captive mines. The integrated business model strengthens the company's production and distribution time, thereby enabling faster and deeper customer penetration.

Efficiency

We have built a strong foundation centred around the principles of efficiency. Our furnaces are operated on alternate fuel to ensure optimal efficiency and minimum energy costs. This has allowed us to control our cost of production.

2.3.2 Operational review

The Company's manufacturing units are located in Hyderabad (Telangana) and Bhongir (Telangana), Selaqui (Uttarakhand) and Dharwad (Karnataka)

₹ **957.88**
CRORES
REVENUE

1600 TPD
TOTAL CAPACITY AS ON
31 MARCH 2014

22.97 %
CAGR IN NET TURNOVER IN
LAST FIVE YEARS LEADING
TO 2013-14

550 +
INSTITUTIONAL CLIENTS FOR
PACKAGING PRODUCTS
DIVISION

9,500
TPA
TOTAL PET BOTTLE
CAPACITY AS ON
31 MARCH 2014

2.3.3 Financial review

Highlights, 2013-14

- Achieved 4.3% increase in revenues despite over-supply in capacities in the industry
- The segment accounted for 50.7% of the company's revenues (53.7% in 2012-13)
- EBIT declined by 86% to ₹ 991 lacs from ₹ 7,132 lacs in 2012-13

2.3.4 Future roadmap

The recent downslide in the Container Glass industry had an impact on this business segment at HSIL. At HSIL, we withstood the macro challenges with streamlining our operations, reducing inventories, optimising capacities and

sustaining margins. Going ahead, we shall strengthen our operational efficiencies, which in-turn will improve our realisations and sustain profit-levels.

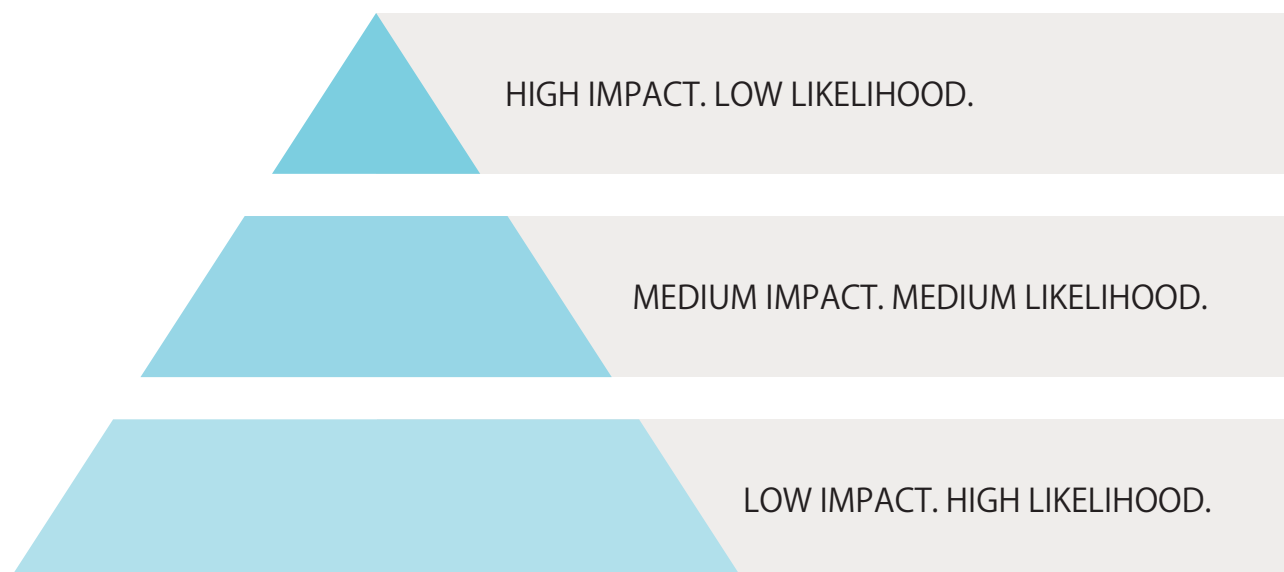
3. Risks and Uncertainties

At HSIL, our refreshed and realigned strategy will enable us to counter potential risks and leverage emerging opportunities in both Building Products Division and Packaging Products Division. As part of the strategy, we have revamped our risk management framework. We have identified three groups under which relevant industry risks can be analysed and appropriate measures taken.

Future roadmap

We shall strengthen our operational efficiencies, which in-turn will improve our realisations and sustain profit-levels.

Risk Analysis



High Impact. Low Likelihood.

Risk	Definition	Mitigation
Economic uncertainty	Economic volatilities can result in weak demand for our products	Despite domestic and global volatilities, India is still one of the fastest growing economies in the world. Besides, the new government's reinforced focus on reforms is likely to accelerate growth
Employee attrition	Low employee retention ratio could result in severe operational inefficiencies	We have, in place, a resilient business model, which includes business plans and nominated replacements. We also conduct skill enhancement programmes like online aptitude, psychometric assessments and leadership capabilities, among others for our talented employees. These factors help mitigate attrition and employee dissatisfaction levels
Unorganised players	Low priced and poor quality products could result in unorganised players capturing market share	We have a pan-India presence, with a strong dealer network and maximum shelf-space to be able to reach out to the maximum number of customers at touch-points. With unmatched quality and competitive prices, HSIL stands out as a leader with regard to both its business operating segments
Maintaining brand recall	Inconsistencies or decline in quality of the product could result in consumers shifting towards other brands	We follow consistent quality standards matching international benchmarks. Our Building Products Division is accredited with ISO 9001, ISO 14001 and OHSAS 18001 certifications. Our Packaging Products Division is also accredited with added quality benchmarks pertaining to ISO 15378, FSSC 22000, ISO 22000 PAS 223 standards

Medium Impact. Medium Likelihood.

Risk	Definition	Mitigation
Revenue mix	An unbalanced revenue realignment could result in reduced profitability levels	We have consciously defined our revenue composition among retail and institutional segments to avoid any unprecedented downturn in any of the segments. Our Packaging Products Division addresses the needs of diverse sectors, thereby further strengthening the revenue channels
Raw material unavailability	Rising raw material prices and inadequate availability could affect business sustainability	We have a strategic raw material substitution policy, avoiding dependence on a few suppliers, without affecting the overall quality levels. For our Container Glass, in addition to captive mines, we have long-term contracts with our suppliers



Low Impact. High Likelihood.

Risk	Definition	Mitigation
Product substitution	Our Packaging Products Division is attuned to the risk of its products being substituted by plastic bottles	Risk of substitution is mitigated with presence of plastics. In fact glass containers and PET packaging can be complimentary which is very common practise with large container glass manufacturers internationally. Such as, O.I (USA), Wiegand Glas (Germany); Rexom etc.
Volatility in overhead costs	Our operations might be affected by rising fuel costs and shortage of power supply	We have resorted to alternative sourcing of power from power exchanges, obtaining power at cheaper costs. On an average, this has resulted in cost saving. We have developed capabilities to use alternate fuel in glass plants
Product versatility	Inability to meet changing customer needs with innovative designs across the product portfolio could result in rising inventories	The Company has refreshed its offering, backed by dedicated team to develop high-end products and eco-friendly practices. With the acquisition of Garden Polymers, we have widened our portfolio to plastic bottles as well





4. Human Assets

At HSIL, we believe an organisation can only be as good as its people. We respect the dedication and commitment of our people and invest in upgrading their repertoire of skills and knowledge through various training programmes and workshops. Our refreshed and realigned strategies for sustainable growth are translated into reality by the team. HSIL's researchers constantly monitor market trends, which enables them to conduct predictive analysis and formulate appropriate strategies.

5. Internal Control System

HSIL's adequate internal controls for safeguarding its assets ensure that transactions are in accordance with our policies. These transactions need to be duly authorised, recorded and reported to prevent possibilities of frauds or other irregularities. In addition to our internal audit department it is strengthened by outsourcing to DH Consultants Pvt. Ltd. We are strengthening our internal audit systems and concentrating on risk assessment and mitigation. The annual audit plan is reviewed by the Audit Committee and major findings and actions taken/proposed are also reported.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 54th Annual Report and Audited Financial Statements of your Company for the year ended 31 March 2014.

Financial Results at a Glance

Parameters	(₹ in crores)	
	2013-14	2012-13*
Gross Revenue	1,889.09	1,709.96
Less: Excise duty	138.88	131.61
Net revenue	1,750.21	1,578.35
EBITDA	271.11	264.11
Profit before taxation and extraordinary items	97.52	115.09
Add: Exceptional item	-	23.66
Profit before taxation	97.52	138.75
Less: Provision for taxation	41.32	39.63
Profit after taxation	56.20	99.12
Add balance brought forward	331.20	275.26
Amount available for appropriation	387.40	374.38
Appropriations		
Operating Loss due to merger of GPPL	0.72	-
Transferred to General Reserve	20.00	20.00
Proposed dividend on equity shares	19.81	19.81
Tax on Proposed Dividend	3.37	3.37
Balance carried forward	343.50	331.20

* Previous year figure are not comparable due to merger of Garden Polymers Private Limited (Wholly owned subsidiary) with HSIL Limited

₹ **1,889**
CRORES

OF REVENUE IN
2013-14

Operational Review

Your Company recorded an improved performance backed by the merger of Garden Polymers. The consolidated revenues went up by 10.48% to ₹ 1,889 crores in 2013-14 compared to ₹ 1,709 crores in 2012-13. The EBITDA went up by 2.65% to ₹ 271.11 crores in 2013-14 from ₹ 264.11 crores in 2012-13. Your Company's Cash Profit stood at ₹ 160.72 crores in 2013-14 as against ₹ 220.46 crores in 2012-13. However, Net Profit declined by 43.30% at ₹ 56.20 crores in 2013-14 from ₹ 99.12 crores in 2012-13. But not considering exceptional item of last year's positive, fall in net profit is 25.52%.

The Building Products Division recorded an impressive 17.88% increase in the gross revenues to ₹ 929.28 crores in 2013-14 from ₹ 788.44 crores in the previous year. Gross revenues for your Company's Packaging Products Division* stood at ₹ 957.88 crores in 2013-14 which represented an increase of 4.28% from ₹ 918.54 crores in 2012-13.

*The Container Glass Division has been re-named as the 'Packaging Products Division' following the merger of Garden Polymer Pvt. Ltd. As such, the figures for the Packaging Products Division will not be comparable to the previous year's figures for the Container Glass Division.

Green Products

We are the first Company in India to introduce water efficient products in the market. We launched an exclusive eco-ware range of Star Rated water efficient closets that have been certified by the International Association of Plumbing and Mechanical Officials (IAPMO), USA.



Business Division Review

Performance of the Building Products Division

Several factors, such as enhanced and enriched product mix, increase in prices and volume growth, resulted in an impressive 18.01% growth in net sales for the Building Products Division in 2013-14. The robust sales growth can be vastly attributed to numerous new product launches under hindware Italian Collection range and first full year of operations of Queo brand of products which have been very well received in the market.

Some of the major achievements of our Building Products Division include:

- We are the first Company in India to introduce water efficient products in the market. We launched an exclusive eco-ware range of star-rated water efficient closets that have been certified by the International Association of Plumbing and Mechanical Officials (IAPMO), USA.
- Our observation and analysis of market dynamics coupled with consumer's need for choice and design, we launched 100+ new designs across our range of Bathroom Suites constituting European Water Closets (EWC), Wash Basins and Faucets characterised by clean lines, smooth surfaces with intricate details under our hindware Italian Collection. Luxury brand QUEO also introduced high end bathroom products designed by reputed international designers highlighted by their signature styles.
- 2013-14 marked the launch of our QUEO Emporio showrooms, in Gurgaon and Delhi. These experiential showrooms not only display the complete range of QUEO products for our discerning customers they allow the patrons to familiarise with the brand and build a relationship before buying.

Packaging Products Division

The Company's newly re-named Packaging Products Division witnessed a 4.64% rise in net sales this year. Several factors such as the GPPL merger, adoption of customised technologies to produce specially coloured bottles, chemical and lightweight bottles contributed to this.

54

YEARS OF RICH LEGACY
OF OPERATIONAL
EXCELLENCE

- In early 2013, we launched the 'hindware' experiential store, 'hindware Arcade' in Chennai. The newly inaugurated hindware Arcade exhibits the entire product basket marketed under hindware, Amore and Vents brand under one roof.
- We introduced a new category for wellness range of bathroom products under brand 'Amore'. The progressing view of bathrooms as spa initiated this move, which broadened our product portfolio.
- We expanded our tile range with the launch of HD Digital (high definition image digital printing technology). HD Digital technology allows printing variety of vibrant colours with sharpness and accurate details in designs on the entire surface till edges including structure surfaces and bevelled edges.

Performance of the Packaging Products Division

The Company's newly named Packaging Products Division (earlier known as Container Glass Division) witnessed a 4.64% rise in net sales this year. Several factors such as the GPPL merger, adoption of customised technologies to produce specially coloured bottles, chemical and lightweight bottles contributed to this.

Some of the major milestones achieved by our Packaging Products Division include:

- We have pioneered the manufacturing of specially coloured bottles - a new product category in the domestic market segment. This was made possible by the adoption of specialised German technology and advanced machinery for this purpose. We currently produce dead leaf, dark green and dark blue coloured bottles under this category. These bottles are

import substitutes and have been well received by customers.

- We have significantly increased our capacity for the manufacture of chemical bottles.
- We have successfully commenced the production of lightweight wine bottles, which too fall under import substitutes.

Dividend

Your Directors recommend a dividend of ₹ 3.00 per share (previous year ₹ 3.00 per share) on equity shares of ₹ 2.00 each, for the year ended 31 March 2014, for consideration of the Members at their ensuing Annual General Meeting. Total outgo on this account will be ₹ 23.18 crores, including dividend distribution tax ₹ 3.37 crores.

Appropriations

A sum of ₹ 20 crores has been transferred to the General Reserve account of the Company and the balance of ₹ 343.50 crores has been carried to surplus in statement of profit and loss.

Management Focus

A Company with a rich legacy of more than five decades backed by operational excellence, HSIL is a largest player in the domestic sanitaryware segment and ranks second in the Container Glass industry in India. Backed by a well-entrenched large distribution network in the industry, we are engaged in a process of uninterrupted practice for innovation and product upgradation. This enables us to significantly improve our product portfolio, even as we widen our presence along the entire value chain and across all possible price points. This working methodology helps us to meet the shifting requirements of our aspirational customer base under both the Building Products and Packaging Products Divisions. Our enhanced production efficiencies and a cost-effective service delivery model further develops our long-term growth prospects to provide value to all concerned stakeholders.



Pioneers

We have pioneered the manufacturing of specially coloured bottles - a new product category in the domestic market segment

Scheme of Amalgamation

Garden Polymers Private Limited, (GPPL), a wholly owned subsidiary of the Company stood merged with the Company with effect from 1 April 2012, the appointed date fixed for the purpose in terms of the Scheme of Amalgamation approved by the Hon'ble High Court, Calcutta, vide Order dated 9 January 2014, certified copy of which was made over to the Company on 13 March 2014 and subsequently filed with Registrar of Companies, West Bengal. Consequent upon this all the assets and liabilities of GPPL became the assets and liabilities of the Company and accordingly given effect of the same in the financials of the Company.

Directors

The present term of Mr. Rajendra Kumar Somany, the Chairman and Managing Director, will expire by efflux of time on 8 January, 2015. The Board is seeking re-appointment of Mr. Rajendra Kumar Somany as the Chairman and Managing Director, whose office will be liable to retire by rotation, for a further period of 3 years commencing from 9 January 2015 upto 8 January 2018. Profile of Mr. Rajendra Kumar Somany is given in the Statement under Section 102 of the Companies Act, 2013 to the Notice of the 54th Annual General Meeting of the Company.

In pursuance of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Ashok Jaipuria, Mr. Vijay Kumar Bhandari, Mr. N.G Khaitan and Mr. Salil Bhandari as Independent Directors not liable to retire by rotation for a term upto five consecutive years commencing from 27 September 2014. Profile of all such Directors are mentioned in the Statement under Section 102 of the Companies Act, 2013 attached to the Notice of the 54th Annual General Meeting of the Company. The Company has received declarations from all the above Independent Directors confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has received requisite notice in writing from Members proposing their appointments as Independent Directors not liable to retire by rotation, at the ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Sumita Somany was appointed as an Additional Director w.e.f 29 May 2014 and she shall hold office up to the date of ensuing Annual General Meeting. The Company has

received requisite notice in writing from a member proposing Ms. Sumita Somany for appointment as Director liable to retire by rotation at the ensuing Annual General Meeting of the Company.

In accordance with the provisions under Section 152 of the Companies Act, 2013, read with the Company's Articles of Association, Mr. G. L. Sultania, Director of the Company retires by rotation at the ensuing Annual General meeting and being eligible, offers himself for re-appointment.

Corporate Governance

A detailed report on the Corporate Governance Code and practices of the Company along with a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement are given in a separate section and forms part of this Annual Report.

Further, the Management Discussion and Analysis Report is appended to and forms part of the Annual Report.

Wholly-Owned Subsidiaries

As per the requirement under Section 212 (3) of the Companies Act, 1956, a statement of particulars of the Company's Subsidiaries for the year ended 31 March 2014, is annexed hereto and forms part of this Report.

Particulars under Section 212(8) of the Companies Act, 1956

In terms of general exemption granted by the Ministry of Corporate Affairs, copies of Balance Sheet, Statement of Profit and Loss, Reports of the Board of Directors and Auditors of the Subsidiary Companies (including step down Subsidiary Companies) have not been attached to the Company's Balance Sheet, as required under Section 212 (8) of the Companies Act, 1956. These documents will be made available upon receipt of request from the Company's shareholders and shall be kept open for inspection by any shareholder at the Registered Office of the Company and that of the respective Subsidiary Companies.



People Power

At HSIL, our highly skilled workforce is our most valuable asset. The Company's people development endeavours are designed to ensure optimal utilisation of employee potential.

However, as directed by the said Ministry, the financial data of the Company's Subsidiaries have been furnished under Financial Information of Subsidiary Companies forming a part of the Annual Report. Further, pursuant to Accounting Standard-21, specified in the Companies (Accounting Standards) Rules, 2006, the Consolidated Financial Statements presented by the Company include the financial information of its Subsidiaries.

Employees

At HSIL, our highly skilled workforce is our most valuable asset. The Company's people development endeavours are designed to ensure optimal utilisation of employee potential which would, in turn, provide us with a competitive advantage over our competitors. We continue to empower our employees in every possible manner as per individual requirements which will help them realise their true potential and consequently help HSIL to grow as well. We make every attempt to connect with our employees much beyond the professional realm of their activities, and thereby strive to become a preferred employer by choice.

Statutory Disclosures

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars of Employees) Rules, 1975, the statement giving names and other particulars of the employees

annexed hereto forms part of this Report.

Fixed Deposit

Your Company did not invite or accept any fixed deposit pursuant to provisions of Section 58A of the Companies Act, 1956, during the year.

Directors' Responsibility Statement pursuant to section 217 (2AA) of the Companies Act, 1956

Your Directors hereby confirm that to prepare the annual accounts, applicable accounting standards were followed, along with proper explanation relating to material departures, if any.

Your Directors selected such accounting policies, applied them consistently, and judged and estimated reasonably and prudently to give a true and fair view of your Company's state of affairs and its profit at the end of the financial year.

Your Directors took proper and sufficient care to maintain adequate accounting records, in accordance with the provisions of this Act, for safeguarding your Company's assets, and for preventing and detecting fraud and other irregularities.

Your Directors prepared the annual accounts on a going concern basis.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

Information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988, is annexed to this Report.

Statutory Auditors

The Company's Statutory Auditors, M/s Walker Chandio & Co LLP, Chartered Accountants, retire at the ensuing Annual General Meeting. They have confirmed their eligibility for re-appointment in terms of Section 139 of the Companies Act, 2013.

The Audit Committee and the Board of Directors recommend appointment of M/s Walker Chandio & Co LLP as the Company's Statutory Auditors from the conclusion of the ensuing Annual General Meeting to the end of the next one.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not require any further comments under Section 217 (3) of the Companies Act, 1956.

Cost Auditors

The Company has appointed M/s Narasimha Murthy & Co., Cost Accountants, Hyderabad, for auditing the cost accounting records of the Company's Glass Division and Building Products Division (Sanitaryware and Faucets) for the financial year 2013-14.

Internal Audit

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding effectiveness and efficiency of operations, safeguard of assets, reliability of financial controls, and compliance with applicable laws and regulations.

Recognising the important role of Internal audit, the Company

has an internal audit function which independently evaluate the appropriateness of, and compliance with policies, plans, regulatory and statutory requirements. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in Company's operations. It also assesses and suggests improvement in risk management efficacy, controls and governance process. The Audit committee and Board provides necessary oversight and directions to the Internal audit function and periodically reviews the findings and ensures corrective measures are taken.

HSIL's manufacturing facilities endorses the highest health, safety, security and environmental standards.

Appreciation

Your Directors would like to express their sincere appreciation to all the banks, financial institutions, Government authorities, customers, vendors and members who have extended their unstinted support and co-operation during the year under review. The Board would also like to take this opportunity to express their deep sense of gratitude, commitment and dedication shown by the Company's executives, staff and workers during the course of its operations in this year.

For and on behalf of the Board of Directors

Rajendra K Somany

Chairman and Managing Director

Place: Gurgaon

Date: 29 May 2014

ANNEXURE TO DIRECTORS' REPORT

A. Conservation of Energy

a) Energy conservation measures taken:

- i. Creation of an Energy Conservation Cell to closely monitor the fuel/power consumption and developing innovative solutions to reduce usage and wastage.
- ii. Utilisation of the waste heat from kilns in process drying to reduce Natural Gas/LPG consumption.
- iii. Initiating a process of natural cross ventilation within casting shops resulting in lower use of circulation fans thus saving electricity.
- iv. Creation of zones within casting shops that lead to greater energy efficiency.
- v. Installation of VFDs for a range of applications.
- vi. Utilisation of timers to monitor the running time of various equipment's to achieve lower consumption of electricity.
- vii. Reduction of grinding cycle time in the ball mills through media optimisation.
- viii. Replacement of all HPLV lamps with low energy consuming LED flood lights.
- ix. Replacement of traditional tube lights with energy efficient LED tubes.
- x. Utilisation of RO wastewater for wetting the grass used in sanitaryware packaging.
- xi. Optimisation of the mould life through a combination of different actions.
- xii. Utilisation of treated ETP water for gardening purposes.
- xiii. Improvement of the power factor.
- xiv. Installation of new, energy efficient EFF2 Series motors as against conventional motors on 300 HP blowers.
- xv. Reduction of power consumption through the replacement of recirculation fans and motors in annealing lehrs.
- xvi. Reduction of the pump size through modification of the cooling water line.
- xvii. Reduction of LPG and power consumption in lehrs.
- xviii. Minimising the idle running time for batch mixers.

- xix. Reduction of power consumption in the ID fans.

b) Additional investment and proposals for reduction of consumption of energy:

- i. Installation of VFDs in the additional areas.
- ii. Replacement of HPLV lamps with LED flood lights.
- iii. Replacement of FLP tube lights with LED lights.
- iv. Replacement of existing motors with energy efficient alternatives.
- v. Installation of voltage variant energy savers for cast shop lighting and fans.
- vi. Endorsing a compulsory policy of purchasing energy efficient motors in future.
- vii. Replacement of conventional ball mill lining and grinding media resulting in reduced grinding cycle time.
- viii. Re-routing the kiln waste heat to process drying.
- ix. Zones creation in casting shops for energy efficiency.
- x. Replacement of conventional lighting fixtures with LEDs.
- xi. Replacement of heater type LPG vaporisers with heater less alternatives.
- xii. Replacement of electrical water heating systems with solar heating systems.
- xiii. Extension of lehr length to reduce LPG consumption.

c) Impact of the above measures for reduction of energy consumption and consequent impact on cost of production:

Building Products Division:

Bahadurgarh plant: Energy Consumption reduction - NIL

Bibinagar plant: Energy Consumption reduction - 8% approximately.

Bhiwadi plant: Energy Consumption reduction - NIL

Packaging Products Division:

Glass plants: Savings of ₹ 1.96 crores per year

PET plants

Selaqui plant	Energy Consumption reduction - NIL
Dharwad plant	

d) Total energy consumption and consumption per unit of production as per Form A (applicable to Glass Products under Packaging Division) was as under:

S. No.	Particulars	2013-14	2012-13
A.	Energy Consumption :		
1	a) Electricity (Purchased) :		
	Units (KWH)	135,841,084	128,905,859
	Total Amount [₹]	903,818,353	707,018,429
	Rate / Unit	6.65	5.48
	b) Own Generation :		
	Units (KWH)	1,036,009	6,170,645
	Units per LT of Fuel Oils	4.02	4.47
	Rate / Unit	11.48	9.97
	c) Total (a + b)		
	Units (KWH)	136,877,093	135,076,504
	Total Amount [₹]	915,715,288	768,569,488
	Rate / Unit	6.69	5.69
2	Fuels (HSD, LPG & LSHS) :		
	Quantity in MT	52,189	57,606
	Value [₹]	2,134,853,716	2,559,464,182
	Rate / MT	40,906	44,430
B.	Consumption Per Million units of production		
	Glass Bottles (Production in Million Pieces)	1,643.86	1,820.74
	Electricity (KWH)	83,266	74,188
	Fuels (HSD, LPG & LSHS) (MT)	32	32

Form B

B. Technology Absorption

Research & Development (R&D)

1. Specific areas in which R&D is carried out by the Company

- Increased use of pitcher in body formulation.
- Development of fine fire clay body for the production of intricate, large sized sanitaryware products.
- Developed body by using washed clays to improve the mould life.
- Reduction in the cost of glaze with lower usage of high cost materials without compromise on the surface gloss and whiteness.
- Creation of an Energy Conservation Cell to closely monitor the fuel/power consumption and developing innovative solutions to reduce any related wastage.
- Installation of automatic packing machines and palletisers to pack bottles automatically and reduce manual intervention.
- Installation of clean room facilities in the packing areas to maintain a high level of cleanliness while packing food, beverages and pharmaceutical products.

2. Benefits derived from the above R&D initiatives

- Recycling of pitcher helped improve input-output ratios and reduced waste disposal.
- Optimisation of use of costly inputs in glaze result in cost saving.
- Possibility to produce bigger pieces more efficiently and increase in mould life
- By innovative ideas from energy conservation cell, the overall energy reduction is achieved and also alternative fuels used in furnace to save cost.
- Automatic packing helped in improved customer satisfaction.
- Clean room facility has improved the overall hygiene and it is helping to get better customer satisfaction

3. Future Plan of Action

- To develop high casting rate body
- Development of low temperature body.
- Backward integration by installing clay washing plant.
- Bahadurgarh plant aims to become zero water discharge plant.
- Conversion of difficult patterns from manual casting to mechanised casting.

- Continuous efficiency improvement to be worked upon.
- Resources utilisation optimisation
- Improving product realisation and enhancing share of high value products.
- Replacement of conventional street lights with solar lighting.
- Recycling of POP moulds after useful life is over.
- Use of higher pitcher to substitute raw material in sanitaryware body preparation.
- To cast more double cavity moulds.
- Replacement of existing compressors with energy efficient and VFD controlled compressors.
- Replacement of cast shop ceiling fans with energy efficient and star rated fans.
- Replacement of conventional electrically heated vaporisers with heater less vaporisers.
- Installation of APFC panels to improve power factor.
- Replacement of all indirect air heating units with direct heating system.
- Use alternative fuels in furnace and lehrs.
- Commercialise NNPB process for various segments, like pharmaceuticals, beverages and food bottles.
- Reduce bottle weight by better design and by giving hot end and cold end coating.
- Introduce organic colour printing of bottles.
- Use of special material moulds to improve speed, quality and output.
- Use of solar heating system for various heating applications.

4. Expenditure on R&D

	₹ in crores	
	2013-14	2012-13
Capital Expenditure	-	-
Recurring Expenditure	0.69	0.57
Total	0.69	0.57
Total R&D Expenditure as a % of total building products revenue	0.07	0.07

Technology absorption, adaptation and innovation

1) Efforts, in brief, made towards technology absorption, adaptation and innovation

- Use of natural light in warehouses in lieu of the usage of electrical lighting systems.
- Replacement of electricity-driven ventilators with natural ventilators.
- Installation of automatic blower pressure controls for forming machines.
- Undertaking various skill upgradation programmes for training senior management personnel with regard to new technologies.

2) Benefits derived as a result of the above efforts

We were successfully able to achieve lower energy consumption, along with the adoption of new technologies and usage of alternate fuel. This was followed by a marked improvement in product quality and ensuring hygienic conditions within the production area.

C. Foreign Exchange Earnings and Outgo

Activities and initiatives

We were able to develop a variety of new products and strengthen the export team, especially for African market/continent and other developing countries. This enabled us to better penetrate overseas markets and formulate strategies to leverage global opportunities.

	₹ in crores	
Year	2013-14	2012-13
Earning in foreign currency	26.38	33.99
Outgo of foreign currency	218.27	225.99
- Raw material, spare part and others	207.33	195.76
- Capital Equipments	10.94	30.23

For and on behalf of the Board of Directors

Rajendra K Somany

Chairman and Managing Director

Place: Gurgaon

Date: 29 May 2014

Information as per Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31 March 2014

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

Name of the Employees	Designation and Nature of Employment	Qualification	Experience (Years)	Date of Employment	Age (Years)	Remuneration Received [₹]	Last Employment held and designation
Mr. Rajendra K Somany	Chairman and Managing Director (Contractual)	B.com, FI (Ceramics) (U.K), LFAIMA, FCMI (UK), Member – IOM ³ (U.K), Emeritus Member- American Ceramic Society	59	1 October 1965	77	6,76,47,115	-
Mr. Sandip Somany	Joint Managing Director (Contractual)	B.Com., Diploma in Ceramics (USA)	29	1 October 1985	51	6,55,27,258	-
Mr. Ram Babu Kabra	President - BPD	B.Com., FCA, ACS	33	7 September 1981	56	15,128,623	Hyderabad Asbestos Limited- Chief Accountant
Mr. Arun Kumar D	President – Glass Division	B.E.(Mechanical)	42	2 December 1996	67	20,119,284	Nagarjuna Acqua Ltd. - President
Mr. J K Somani	Sr. Vice President- BPD	B. Com., ACS	36	16 June 1977	57	8,541,516	-
Mr. Anil Kr Chandani	Sr. Vice President (Corporate Finance)	B.Com (Hons.), FCA, FCS, AICWA, DBF (ICFAI)	24	21 April 2008	47	7,791,778	GHCL Limited- General Manager (Corporate Finance)
Mr. Sanjay Gaur	Chief Human Resource Officer	B.Com, MBA	23	4 December 2006	48	7,362,575	Bharti Airtel Ltd (General Manager-HR)
Mr. Ajay Seth	Sr. Vice President (Service)	BE, PGDBM	24	10 September 2007	47	6,830,627	Reliance Retail Ltd- Head Operations

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

Name of the Employees	Designation and Nature of Employment	Qualification	Experience (Years)	Date of Employment	Age (Years)	Remuneration Received [₹]	Last Employment held and designation
Mr. Sushil Luniya	President - BPD	B.Tech, MBA	27	3 March 2014	52	1,013,441	Pidilite India Ltd, - President Construction Chemicals Division
Mr. Santosh Kr Nema	President - BPD	PGDBM (IIM-A)	31	21 November 2009	55	8,556,536	Cera Sanitaryware- CEO
Mr. Ravi Gupta	CEO – AGI, closures	B.E (Mechanical)	40	2 January 2014	64	1,649,250	Gwala Closures India Pvt. Ltd.- Managing Director

Notes:

- Employees named above are wholtime employees of the Company as per the Company's terms and conditions.
- Mr. Rajendra K Somany, Chairman and Managing Director and Mr. Sandip Somany, Joint Managing Director are related to each other. None of the other employees are related to any of the Directors of the Company.
- Mr. Rajendra K Somany, Chairman and Managing Director and Mr. Sandip Somany, Joint Managing Director are promoters of the company and except them no other employee holds 2% or more of the equity share capital of the Company.
- Remuneration received includes Gross Salary, Bonus, Commission, performance incentive, ex-gratia, actual

expenditure for provision of rent free accommodation or benefits or amenities, house rent allowance, leave encashment, medical expenses, leave travel assistance, other allowances, reimbursement of gas, water and electricity expenses. Company's contribution to provident fund, employee pension scheme, gratuity fund and provision of car are valued as perquisites in accordance with rules under the Income Tax Act, 1961.

For and on behalf of the Board of Directors

Rajendra K Somany
Chairman and Managing Director

Place: Gurgaon
Date: 29 May 2014

CORPORATE GOVERNANCE REPORT

Company Philosophy

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled so as to fulfill its goal and objectives in a manner that adds to the value of the company and benefit to all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, shareholders, customers, suppliers, financiers, employees and society at large. Strong and improved Corporate Governance practices are essential in today's competitive world and challenging economy. We maintain a high level of transparency in our

corporate governance issues. We do this through timely disclosures and sharing accurate performance and financial information.

A. Board of Directors

The Company is managed and controlled by a professional Board comprising a blend of Executive and Non-executive professional Directors. As on 31 March 2014, the Board of Directors consisted of eight Directors, including Chairman and Managing Director, Joint Managing Director and others.

As on 31 March 2014, none of the Directors on the Company's Board was a Director in more than 15 Companies, neither a Chairman



Governance Model

We maintain a high level of transparency in our corporate governance issues. We do this through timely disclosures and sharing accurate performance and financial information.

of more than five Committees nor a member of more than 10 Committees in accordance with Companies Act, 1956. Further, all the Directors have made necessary disclosures regarding their Directorship and Chairmanship/Committee Membership in other Companies as per the requirement of newly enacted Companies Act, 2013.

No Director is related to any other Director on the Board, except Mr. Rajendra K Somany, Mr. Sandip Somany and Mrs. Sumita Somany (Additional Director w.e.f. 29th May, 2014) who are relatives to each other.

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

Five Board meetings were held during 2013-14 and the gap between two meetings did not exceed four months. The dates, on which the Board meetings were held, are as follows:

24 May 2013, 31 July 2013, 7 November 2013, 31 January 2014 and 27 March 2014.

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



The names and categories of the Directors on the Board, along with their attendance at the Board meetings held during the year ended 31 March 2014, and at the last Annual General Meeting, and the number of other Directorship and Chairmanship/Membership of Committees held by them, are given below:

Name of the Director	No. of Board meetings attended during tenure	Whether attended the last AGM	No. of other Directorships*	Committee position of other Companies**		No. of Equity Shares held
				Chairman	Member	
Executive (Promoter)						
Mr. Rajendra K Somany (Chairman and Managing Director)	5	Yes	4	Nil	Nil	26,20,114
Mr. Sandip Somany (Joint Managing Director)	5	No	4	Nil	Nil	29,04,028
Non-executive and Independent						
Mr. Ashok Jaipuria	5	No	2	Nil	Nil	18,000
Mr. G. L. Sultania	4	Yes	8	2	2	6,705
Mr. N. G. Khaitan	4	Yes	9	1	5	832
Dr. Rainer Siegfried Simon	4	No	Nil	Nil	Nil	Nil
Mr. V. K. Bhandari	4	Yes	8	2	2	Nil
Mr. Salil Bhandari	4	No	6	2	2	Nil

* This includes Directorship in public limited companies (including Subsidiaries of public limited companies) and excludes Directorship in associations, private, foreign and Section 25 companies.

** Represents Chairmanship/Membership of Audit Committee and Shareholders'/Investors' Grievance Committee, whether listed or not.

B. Committees of the Board

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

- Audit Committee
- Corporate Affairs Committee
- Remuneration Committee
- Shareholders'/Investors' Grievance Committee
- Share Transfer Committee

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

Detail of the composition, number of meetings held

during the year, attendance of members and scope of the committees are as below:

I. Audit Committee

Composition

As on 31 March 2014, the Committee comprises of four Non-executive Independent Directors. Mr. V. K. Bhandari, an ex-banker and financial expert, is the Chairman of the Committee. The quorum of the Committee is two members or one-third of the members, whichever is higher. The Chairman and Managing Director, Presidents of Divisions, Finance Head, Statutory Auditors, Cost Auditors and the Internal Auditors are invitees to the meetings of the Audit Committee. The business and operation heads are invited to the meetings, as and when required. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, four meetings of the Audit Committee were held on 24 May 2013, 31 July 2013, 7 November 2013 and 31 January 2014.

The Chairman of the Audit Committee also attended the Company's last Annual General Meeting.

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

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

*Appointed as a member of the Committee with effect from 31 July 2013

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

Scope of the Audit Committee

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

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

Powers of Audit Committee

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

Role of Audit Committee

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment and reviewing auditor's independence and performance, and effectiveness of audit process;
- Approving payment to statutory auditors, including cost auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate

recommendations to the Board to take up steps in this matter;

- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors; any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Vigil (Whistle Blower) mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading

the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors;
- Review the following information:
 - The Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief internal auditor.
- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

II. Corporate Affairs Committee

Composition

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

Meetings and Attendance

The Corporate Affairs Committee met on nine occasions during 2013-14, on 27 May 2013, 12 August 2013, 16 September 2013, 25 September 2013, 25 October 2013, 20 November 2013, 24 December 2013, 18 February 2014 and 4 March 2014.

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

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. R. K. Somany	Chairman	9	9
Mr. Sandip Somany	Member	9	9
Mr. G. L. Sultania	Member	9	NIL
Mr. Salil Bhandari	Member	9	3

Scope of the Corporate Affairs Committee

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

III. Remuneration Committee

Composition

The Committee comprises three members, all of them being Non-executive Independent Directors.

The Chairman of the Committee is Mr. V.K. Bhandari. The Company Secretary acts as the Secretary to the Committee.

Meetings and Attendance

During the year, the Remuneration Committee met on 24 May 2013 and 31 January 2014. The following table summarises the attendance details of the Remuneration Committee members:

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. V. K. Bhandari	Chairman	2	2
Mr. N. G. Khaitan	Member	2	2
Mr. Salil Bhandari	Member	2	1

The Committee's existing composition meets with requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Further, in accordance with Section 178 of the Companies Act, 2013, nomenclature of Remuneration Committee has been changed to "Nomination and Remuneration Committee" w.e.f. 29 May 2014.

Scope of the Remuneration Committee

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

- To determine Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.
- To identify persons who are qualified to become Directors and who may be appointed in senior

management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees and while formulating the policy ensure that:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to Directors, Key Managerial Personnel and Senior Management involves

a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- To perform such other functions as may be necessary or appropriate for the performance of its duties
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

Remuneration policy of the Company for Financial Year 2013-14

1. For Executive Directors

The remuneration of Executive Directors is recommended by the Remuneration Committee based on the Company's performance and industry benchmarks. It is decided by the Board of Directors within the limits approved by the Company Members by way of passing special resolution at the General Meetings. The

Company pays remuneration by way of salary, perquisites, allowances and commission on net profits of the Company, among others.

Annual increments are recommended by the Remuneration Committee as per salary grade approved by the Members of the Company.

The services of Chairman and Managing Director and Joint Managing Director may be terminated by giving six months' notice or alternatively six months' salary in lieu of six months' notice.

2. For Non-executive Directors

Non-executive Directors are remunerated by way of commission at 1% of the Company's net profits for each financial year computed in accordance with Section 309 of the Companies Act, 1956, as approved by the Company's shareholders by way of special resolution passed at their 53rd Annual General Meeting held on 30 September 2013, for five years, with effect from 1 April 2013.

Non-executive Directors are entitled to sitting fees also for attending the meetings of the Board and Committees thereof. The Company reimburses out-of-pocket expenses to Directors for attending the meetings by them.

Detail of Remuneration of Directors

The table below provides the details of the remuneration paid to the Directors during the financial year 2013-14:

Name of Directors	Amount (in ₹)					
	Basic	Perquisites	Commission (for the year 2012-13)	Contribution to PF	Sitting Fee	Total
Mr. Rajendra K Somany	1,61,48,387	1,87,242	4,93,73,680	19,37,806	-	6,76,47,115
Mr. Sandip Somany	1,16,00,000	5,82,578	5,19,52,680	13,92,000	-	6,55,27,258
Mr. V. K. Bhandari	-	-	17,18,261	-	70,500	17,88,761
Mr. Ashok Jaipuria [#]	-	-	17,18,261	-	-	17,18,261
Mr. N. G. Khaitan	-	-	17,18,261	-	70,500	17,88,761
Mr. G. L. Sultania	-	-	17,18,261	-	48,500	17,66,761
Dr. Rainer S. Simon	-	-	17,18,261	-	-	17,18,261
Mr. Salil Bhandari	-	-	14,45,222	-	55,500	15,00,722
Mr. Vishal Marwaha ^{**}	-	-	13,32,241	-	-	13,32,241
Mr. Binay Kumar [*]	-	-	8,09,701	-	-	8,09,701
Mr. S. B. Budhiraja [*]	-	-	8,09,701	-	-	8,09,701
TOTAL	2,77,48,387	7,69,820	11,43,14,530	33,29,806	2,45,000	14,64,07,543

^{*}Director upto 19.09.2012

^{**}Director upto 08.01.2013

[#]Mr. Ashok Jaipuria relinquished his entitlement of the sitting fee.

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

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

The transactions with related parties are furnished in note 39 to Annual Accounts, as stipulated under Accounting Standard 18 (AS-18). Apart from related party transactions furnished in note no. 39, there are no transactions of material nature with Directors or their relatives and others, which may have potential conflict with the Company's interest. The Register of Contracts required to be maintained under Section 301 of the Companies Act, 1956 as applicable till 31 March 2014, containing the contracts, in which the Directors are concerned or interested, is placed at the meeting of the Board of Directors for their approval and noting, on a periodical basis.

During the year, no pecuniary or business relationship existed between the Non-executive Directors and the Company. M/s G. L. Sultania & Co., Proprietor Mr. G. L. Sultania, Non-executive Director of the Company, was paid consultancy fees for rendering professional services, which is not to be construed as material transaction with the Company as per the provisions of erstwhile Companies Act, 1956. The Company has made an application to Ministry of Corporate Affairs, Government of India, for payment of remuneration not exceeding ₹50,000 (equivalent to ₹ 35,97,075/-) to Dr. Rainer Siegfried Simon for the financial year 2013-14, which is pending for approval.

With the applicability of Companies Act, 2013, transactions attracting provisions of section 188 which are in ordinary course of business and are at

arm's length have been entered into after being reviewed by the Audit Committee and with approval of the Board.

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

IV. Shareholders'/Investors' Grievance Committee

Composition

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

The Committee's existing composition meets with requirements of Section 178 of the Companies Act, 2013.

Further, in accordance with Section 178 of the Companies Act, 2013, and Securities Exchange Board of India's circular bearing no.CIR/CFD/POLICY CELL/2/2014 dated 17 April 2014, nomenclature of Shareholders'/Investors' Grievance Committee has been changed to "Stakeholders Relationship (Shareholders'/Investors' Grievance) Committee" w.e.f. 29 May 2014.

Meetings and Attendance

During the year, four meetings of the Committee were held on 24 May 2013, 31 July 2013, 7 November 2013 and 31 January 2014.

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

Name of Members	Status	No. of meetings held during the tenure	No. of meetings attended
Mr. N. G. Khaitan	Chairman	4	4
Mr. V. K. Bhandari	Member	4	4
Mr. G. L. Sultania	Member	4	4
Mr. Salil Bhandari	Member	4	3

Scope of Shareholders' / Investors' Grievance Committee

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

During the year, 42 complaints were received and duly resolved by the Company.

V. Share Transfer Committee

Composition

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

Meetings and Attendance

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

Scope of the Share Transfer Committee

The Board entrusts the Share Transfer Committee with the powers related to transfers, transmissions, consolidation, splitting and issue of share certificates, in exchange of sub-divided / consolidated and others, and overseeing the performance of the Company-appointed Registrar and Transfer Agent.

C. Other Disclosures Recommended By SEBI

1. Subsidiary Companies

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

2. Particulars of Directors seeking appointment/re-appointment

All the Directors of the Company, except the Chairman and Managing Director and the Joint Managing Director, are liable to retire by rotation, of which one-third retire every year. However, with applicability of Companies Act, 2013 office of Independent Directors shall not be liable to retire by rotation.

The term of Mr. Rajendra Kumar Somany, as Chairman and Managing Director, will expire by efflux of time on 8 January 2015. The Directors are seeking

re-appointment of Mr. Rajendra Kumar Somany as Chairman and Managing Director, whose office will be liable to retire by rotation.

In pursuance of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr. Ashok Jaipuria, Mr. Vijay Kumar Bhandari, Mr. Nand Gopal Khaitan and Mr. Salil Bhandari as Independent Directors for a term of five consecutive years commencing from 27 September 2014.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Sumita Somany was appointed as an Additional Director w.e.f 29 May 2014 and she shall hold office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Ms. Sumita Somany for appointment as Director liable to retire by rotation at the ensuing Annual General Meeting of the Company.

Pursuant to provisions of Companies Act, 2013, Mr. G. L. Sultania shall cease to be Independent Director w.e.f. 1 April, 2014 and accordingly, will retire by rotation at the ensuing Annual General Meeting. Mr. Sultania, being eligible, offer himself for re-appointment.

For detailed particulars on the Directors seeking appointment/re-appointment, please refer to Explanatory Statement to the Notice of the Annual General Meeting, scheduled to be held on 27 September 2014.

3. General Body Meetings

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2012-13	30 September 2013	11.00 a.m.	Somany Conference Hall, MCC Chamber of Commerce & Industry, 15-B, Hemanta Basu Sarani, Kolkata – 700 001
2011-12	19 September 2012	2.30 p.m.	Same as above
2010-11	19 September 2011	11.30 a.m.	Same as above

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

Date of Annual General Meeting	No. of Special Resolution passed	Particulars
30 September 2013	3	1. Re-appointment of Mr. Sandip Somany as Joint Managing Director 2. Payment of Remuneration to Dr. Rainer Siegfried Simon 3. Remuneration by way of Commission to Non-Executive Directors
19 September 2012	NIL	—
19 September 2011	3	1. Re-appointment of Mr. Rajendra K Somany as Chairman and Managing Director 2. Increase in Commission payable to Chairman and Managing Director and Joint Managing Director 3. Payment of Remuneration to Dr. Rainer Siegfried Simon

During the financial year 2013-14, no Special Resolution was passed through Postal Ballot.

4. Disclosures

1) Disclosure of Accounting Treatment

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

2) Risk management

The Company has an effective risk management procedure in place. It has formulated risk management in its procedures itself. It regularly analyses the risks and takes corrective actions for managing/mitigating the same. The internal control system provides support for the Company's risk management at various levels of operations of business. The Company has a Foreign Exchange Risk Assessment Policy in place to effectively monitor and mitigate Foreign Exchange Risk.

3) Strictures/Penalties

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

4) Proceeds from public issues, right issues, preferential issues

During 2013-14, the Company did not raise capital through public, rights and/or preferential issue.

5) Management

- i) The Management Discussion and Analysis Report forms a part of the Annual Report and is in accordance with the requirements laid down in Clause 49 of the Listing Agreement.
- ii) No material transaction was entered into by the Company with the Promoters, Directors or the Senior Management that may have a potential conflict with the Company's interests.

5. Means of Communication

The Quarterly, Half yearly and Annual results are submitted to the Stock Exchange(s), in accordance with Listing Agreement. Further, the quarterly/half yearly/annual results in the prescribed format, along with the press release, are published within 48 hours in

any prominent daily newspaper, such as The Financial Express and Kalantar (vernacular newspaper). All vital information of the Company's performance, including Financial Results, Annual Reports of the last three years and Shareholding Pattern have been posted on the Company's website, www.hindwarehomes.com.

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

6. HSI Code of Conduct for the Prevention of Insider Trading

The Company has formulated and implemented a Code of Conduct for the Prevention of Insider Trading, in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended till date. The Code of Conduct for Prevention of Insider Trading, inter alia, prohibits purchase/sale of Company's shares by employees, while in possession of Company's unpublished and price-sensitive information. The necessary procedures have been laid down for the Directors, designated employees, connected persons and people deemed to be connected for trading in the Company's securities.

The said Code of Conduct is available on the Company's website.

7. Compliance Report on Non-mandatory Requirements under Clause 49

The Company has adopted the non-mandatory requirement of Clause 49 to the extent of the Remuneration Committee, which has been discussed in the earlier section of this Report.

D. Shareholder Information

(i) Contact Information

Registered Office

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

Corporate Office

301-302, Park Centra
Sector-30, National Highway – 8
Gurgaon, Haryana
Phone: +91- 124-477 9200
Fax: +91-124-429 2898-99

(ii) Plant location and its division

Divisions	Location
Building Products Division	Haryana District Jhajjar, Bahadurgarh, Haryana – 124 507 Telangana Somanyapuram, Brahmanapally, Bibinagar, District Nalgonda – 508 126, Telangana Rajasthan G 470-471, Phase I, RIICO Industrial Area, Bhiwadi – 301 019, Rajasthan Plot No. SP1 - 254, RIICO Industrial Area, Kaharani, Bhiwadi - 301 019, Rajasthan
Packaging Products Division	Telangana Glass Factory Road, Off Motinagar, P.B No. 1930, Sanathnagar P. O. Hyderabad – 500 018, Telangana Glass Factory Road, Thukkapur Road, Bhongir, District Nalgonda – 508 116, Telangana Karnataka KIADB Industrial Area, Lakamanhalli, Dharwad – 580 004, Karnataka Uttarakhand F-86, UPSIDC, Industrial Area, Selaqui, Dehradun – 248 197, Uttarakhand

(iii) Company Secretary

Ms. Payal M. Puri

International Securities Identification Number (ISIN) of the Company's equity shares, having face value of ₹ 2 each, is INE 415A 01038. Listing fees for the financial year 2014-15, has been paid to the Stock Exchanges.

(iv) Annual General Meeting

The 54 Annual General Meeting is scheduled to be held on 27 September 2014, at 11:00 a.m. at Somany Conference Hall, MCC Chamber of Commerce & Industry, 15B, Hemanta Basu Sarani, Kolkata -700 001

(ix) Registrar and Transfer Agent

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

(v) Financial Calendar

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

Maheshwari Datamatics Private Limited
6, Mangoe Lane, Kolkata – 700 001
Phone +91-33- 2243 5809/5029
Fax +91-33- 2248 4787
Email: mdpl@cal.vsnl.net.in

(vi) Date of Book Closure

20 September 2014 to 27 September 2014 (both days inclusive)

(x) Share Transfer System

The Company has constituted a Share Transfer Committee to approve the transfer of securities. Share transfers, which are received in physical form, are processed and the share certificates returned within 14 days from the date of receipt, subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries through the depositories.

(vii) Dividend Payment Date

Latest by 29 September 2014

(viii) Listing on Stock Exchanges

The Stock Exchanges, at which the Company's equity shares are listed, and the respective stock codes are:

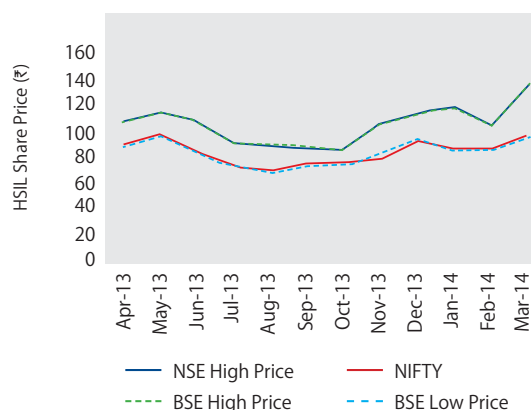
National Stock Exchange of India Ltd. (NSE): HSIL
BSE Ltd. (BSE): 500187

(xi) Market Price Data

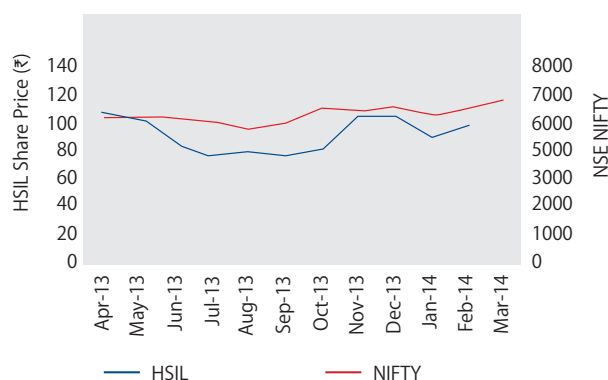
Monthly stock market data of the Company's high-and-low prices of equity shares during 2013-14 and their performance, in comparison with the broad-based index, comprise:

Monthly Stock Market Data

Month	NSE High Price	NSE Low Price	BSE High Price	BSE Low Price
Apr-13	107.90	91.05	107.90	91.00
May-13	113.85	97.75	112.90	97.60
Jun-13	107.90	84.05	105.55	84.50
Jul-13	90.50	74.25	90.80	74.00
Aug-13	87.90	70.10	89.80	70.75
Sep-13	87.40	75.95	87.75	76.05
Oct-13	86.00	77.00	84.95	76.00
Nov-13	105.50	78.70	105.25	81.75
Dec-13	113.50	92.40	113.95	92.00
Jan-14	118.60	88.10	113.50	88.05
Feb-14	104.50	88.10	104.20	88.10
Mar-14	134.80	97.10	135.90	97.15

Monthly NSE and BSE prices of equity shares

Monthly closing prices of HSIL and NSE Nifty

Month	HSIL	NSE Nifty
Apr-13	106.20	5930.20
May-13	103.45	5985.95
Jun-13	85.25	5842.20
Jul-13	77.35	5742.00
Aug-13	79.85	5471.80
Sep-13	77.25	5735.30
Oct-13	81.80	6299.15
Nov-13	104.95	6176.10
Dec-13	104.35	6304.00
Jan-14	89.80	6089.50
Feb-14	99.25	6276.95
Mar-14	130.85	6704.20

Monthly closing prices of HSIL and NSE NIFTY

(xii) Distribution of Shareholding as on 31 March 2014

Number of Shares held	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Up to 500	13,194	77.19	18,74,432	2.84
501-1,000	2,098	12.27	16,44,714	2.49
1,001-2,000	879	5.14	13,01,040	1.97
2,001-3,000	287	1.68	7,27,809	1.10
3,001-4,000	143	0.84	5,04,469	0.76
4,001-5,000	110	0.64	5,11,574	0.77
5,001-10,000	183	1.07	13,38,563	2.03
10,001 and above	200	1.17	5,81,43,794	88.04
Total	17,094	100.00	6,60,46,395	100.00

(xiii) Category of Shareholders as on 31 March 2014

Category	No. of Shares of ₹ 2 each	% of Total
Promoter, Directors and Relatives	3,40,87,786	51.61
Mutual Fund/UTI	93,31,442	14.13
Financial Institutions/Banks	36,772	0.06
Insurance Companies	500	0.00
Foreign Institutional Investors	93,92,497	14.22
Foreign Companies	Nil	0.00
Domestic Companies/Bodies Corporate	22,74,924	3.44
Non-resident Individual	3,66,458	0.55
Others	1,05,56,016	15.99
Total	6,60,46,395	100.00

(xiv) Dematerialisation of Shares

The detail of shares dematerialised and those held in physical form, as on 31 March 2014.

Particulars of Shares	Shares of ₹ 2 each		Shareholders	
	Number	% of Total	Number	% of Total
Dematerialised Form				
National Securities Depository Ltd. (NSDL)	5,91,90,354	89.62	10,381	60.73
Central Depository Services (India) Ltd. (CDSL)	55,79,369	8.45	4,185	24.48
Physical Form	12,76,672	1.93	2,528	14.79
Total	6,60,46,395	100.00	17,094	100.00

(xv) The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.**E. Code of Conduct**

The Company's Board of Directors laid down and adopted a Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of the Company. The said Code of Conduct has also been posted on the Company's website. The Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct for 2013-14.

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

F. CEO and CFO Certification

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

G. Certification by Auditors

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

Declaration by Chairman and Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with sub-clause 1(D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the Senior Management Personnel have affirmed compliance with their respective code of conduct, as applicable to them, for the year ended 31 March 2014.

Rajendra K Somany
Chairman and Managing Director

Place: Gurgaon
Date: 29 May 2014

CEO/CFO CERTIFICATION

To the Board of Directors

We hereby certify that:

- a) We have reviewed the financial statements of HSIL Limited ('the Company') for the period up to 31 March 2014 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There were, to the best of our knowledge and belief, no transactions entered into by the Company during the above-mentioned period, which were fraudulent, illegal or violate the Company's Code of Conduct.
- c) We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the Company's internal control systems; we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any, and the steps we have undertaken or propose to undertake to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the above-mentioned period;
 - ii. Significant changes in accounting policies, if any, during the above-mentioned period and that the same have been disclosed in the notes to the financial statements;
 - iii. Instances of significant fraud, of which we have become aware, and the involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

Rajendra K Somany
Chairman and Managing Director

V. K. Ajmera
Chief Financial Officer

Place : Gurgaon
Date : 29 May 2014

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of HSIL Limited

We have examined the compliance of conditions of Corporate Governance by HSIL Limited (the Company) for the year ended on 31 March 2014, as stipulated in clause 49 of the listing agreement of the Company with the stock exchanges.

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

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

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

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

per **Atul Seksaria**
Partner
Membership No.: 86370

Place: Gurgaon
Date: 29 May 2014

INDEPENDENT AUDITORS' REPORT

To
The Members of HSIL Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of HSIL Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2014 the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under 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. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - (b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge

INDEPENDENT AUDITORS' REPORT

and belief were necessary for the purpose of our audit;

- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 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; and
- e. on the basis of written representations received from the directors, as on 31 March 2014 and

taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**

Place: Gurgaon

Partner

Date: 29 May 2014

Membership No.: 086370

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

of even date to the members of HSIL Limited on the financial statements for the year ended 31 March 2014

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals

during the year, except for goods-in-transit.

- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loan to one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 500 lacs and the year-end balance is ₹ Nil.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) In respect of loans granted, receipt of the principal amount and the interest is regular.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- (d) There is no overdue amount in respect of loans granted to such company.
- (e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- b) The dues outstanding in respect of sales tax, income-tax, custom duty, wealth tax, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	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.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	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 of excise duty	53.26	3.81	FY 2006-07	Customs, Excise and Service tax Appellate Tribunal
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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker Chandiok & Co LLP
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**

Partner

Place: Gurgaon

Date: 29 May 2014

Membership No.: 086370

BALANCE SHEET

as at 31 March 2014

	Notes	As at 31 March 2014	As at 31 March 2013
Equity and liabilities			
Shareholders' fund			
Share capital	4	1,320.97	1,320.97
Reserves and surplus	5	110,826.69	107,596.70
		112,147.66	108,917.67
Non-current liabilities			
Long-term borrowings	6	54,731.89	57,822.70
Deferred tax liabilities (net)	7	11,540.40	11,008.86
Other long-term liabilities	8	1,543.77	1,397.61
Long-term provisions	9	422.11	393.11
Total		68,238.17	70,622.28
Current liabilities			
Short-term borrowings	10	37,234.54	32,555.07
Trade payables	11	13,710.00	13,166.92
Other current liabilities	12	36,385.21	26,918.30
Short-term provisions	13	2,762.91	2,502.85
		90,092.66	75,143.14
Total		270,478.49	254,683.09
Assets			
Non-current assets			
Fixed assets			
Tangible assets	14	145,230.39	138,176.10
Intangible assets	14	3,492.71	146.49
Capital work-in-progress		11,930.95	6,160.94
		160,654.05	144,483.53
Non-current investments	15	13,274.00	19,706.93
Long-term loans and advances	16	4,980.25	4,814.50
Other non-current assets	17	169.50	155.01
		179,077.80	169,159.97
Current assets			
Inventories	18	40,573.00	36,206.83
Trade receivables	19	40,937.84	35,109.80
Cash and bank balances	20	5,846.90	7,920.49
Short-term loans and advances	21	3,848.54	6,157.68
Other current assets	22	194.41	128.32
		91,400.69	85,523.12
Total		270,478.49	254,683.09

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

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

For and on behalf of the Board of Directors

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

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Per Atul Seksaria
Partner
Place : Gurgaon
Date : 29 May 2014

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2014

	Notes	Year ended 31 March 2014	Year ended 31 March 2013
₹ in lacs			
Income			
Income from operations (gross)	23	1,88,535.68	1,70,540.46
Less: Excise duty		13,887.77	13,161.18
Income from operations (net)		1,74,647.91	1,57,379.28
Other income	24	373.60	454.95
		1,75,021.51	1,57,834.23
Expenses			
Cost of raw materials consumed	25	33,527.92	28,496.30
Purchases of traded goods	26	28,867.21	22,524.97
Changes in inventories of finished goods and work-in-progress	27	(4,101.52)	(7,646.94)
Employee benefits expense	28	17,020.54	15,832.76
Other expenses	29	72,595.64	72,216.71
		1,47,909.79	1,31,423.80
Profit before depreciation and amortisation, finance costs, exceptional items and tax expense		27,111.72	26,410.43
Depreciation and amortisation expense	14	10,570.48	8,507.78
Finance costs	30	6,789.43	6,394.16
Profit before tax and exceptional items		9,751.81	11,508.49
Exceptional items (refer note 46)		-	2,366.30
Profit before tax		9,751.81	13,874.79
Tax expense			
- Current year		3,974.93	2,808.01
- Earlier years		274.88	-
MAT credit entitlement		-	(2,471.46)
Deferred tax		(117.97)	3,626.00
Profit for the year		5,619.97	9,912.24
Earnings per equity share (₹)	31		
Basic and diluted earning per equity share		8.51	15.01

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

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

For and on behalf of the Board of Directors

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

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Per Atul Seksaria
Partner
Place : Gurgaon
Date : 29 May 2014

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

CASH FLOW STATEMENT for the year ended 31 March 2014

₹ in lacs

	Year ended 31 March 2014	Year ended 31 March 2013
A. Cash flow from operating activities		
Profit before tax	9,751.81	13,874.79
Adjustments for:		
Depreciation and amortisation	10,570.48	8,507.78
Gain on disposal of fixed assets	(13.88)	(93.97)
Loss on disposal of fixed assets	27.15	4.28
Finance costs	6,789.43	6,394.16
Interest income	(203.68)	(288.69)
Gain on sale of current investments	(25.71)	(6.60)
Profit on sale of shares held in subsidiary	-	(2,366.30)
Provision for doubtful debts and advances	466.27	159.25
Bad debts written off	7.93	18.96
Sundry balances and liabilities no longer required, written back	(251.27)	(477.32)
Operating profit before working capital changes	27,118.53	25,726.34
Adjustments for :		
Increase in inventories	(3,576.95)	(8,879.30)
Decrease/(increase) in trade and other receivables	695.59	(10,533.17)
Decrease in trade and other payables	(4,289.32)	(986.05)
Cash generated from operations	19,947.85	5,327.82
Direct taxes paid	(1,570.00)	(3,150.00)
Net cash flow from operating activities	18,377.85	2,177.82
B. Cash flow from investing activities		
Acquisition of fixed assets including capital work in progress	(18,952.90)	(10,931.13)
Proceeds from sale of fixed assets	167.65	239.82
Purchase of investments	(12,979.04)	(4,589.18)
Proceeds from sale of investments	10,750.71	5,901.87
Movement in other bank balances	12.23	(254.42)
Interest received	177.94	250.59
Net cash used in investing activities	(20,823.41)	(9,382.45)

₹ in lacs

	Year ended 31 March 2014	Year ended 31 March 2013
C. Cash flow from financing activities		
Proceeds from long term borrowings	14,922.14	13,493.93
Repayment of long term borrowings	(9,679.82)	(6,622.96)
Movement in short term borrowings (net)	4,283.79	9,341.98
Interest paid	(6,834.48)	(6,191.54)
Dividend paid	(1,972.99)	(1,969.76)
Taxes on dividend paid	(336.74)	(321.43)
Net cash flow from financing activities	381.90	7,730.22
Net (decrease)/increase in cash and cash equivalents	(2,063.66)	525.59
Cash and cash equivalents at the beginning of the year	7,379.95	6,854.36
Cash and cash equivalents at the beginning of the year of transferor company	2.29	-
Cash and cash equivalents at the end of the year	5,318.59	7,379.95
Note:		
Cash and bank balances include (refer note 20):		
Cash, cheques in hand, remittances in transit and fixed deposits	4,439.49	6,956.96
Balance with banks in current accounts	879.10	422.99
Cash and cash equivalents	5,318.59	7,379.95
Held as margin money in fixed deposits	453.05	473.38
Unclaimed dividend accounts	75.26	66.86
Unclaimed share fraction account	-	0.30
Other bank balances	528.31	540.54
Cash and bank balances as per balance sheet	5,846.90	7,920.49

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

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

For and on behalf of the Board of Directors

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

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Per Atul Seksaria
Partner
Place : Gurgaon
Date : 29 May 2014

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

NOTES to the financial statement for the year ended 31 March 2014

Note 1 : Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis, as supplemented by revaluation of certain fixed assets. These financial statements have been prepared in accordance with the generally accepted accounting principles in India and 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 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 accounting policies have been consistently applied by the Company.

Note 2 : Use of estimates

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

Note 3 : Summary of significant accounting policies

i Fixed assets

Tangible

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

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

Intangible

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

Capital work-in-progress

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

ii Depreciation and amortisation

A Tangible

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 Company and on vehicles purchased by the Company, 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 (previous year ₹ 19,890.76 lacs) used in the glass divisions, depreciation is provided on straight line method, as technically assessed from time to time, based on expected useful lives of the furnaces. The rate presently 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 over a period of three years.
- 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.

NOTES to the financial statement for the year ended 31 March 2014

B Intangible

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

iii Impairment of assets

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

iv Investments

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

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

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

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

v Inventories

- a) Inventories are valued as follows:

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

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

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

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

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

Finished goods - traded - On weighted average basis.

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

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

vi Cash and cash equivalent

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

vii Revenue recognition

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

Sale of goods

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

Other income

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

viii Export benefit/incentives

Benefit under the advance license scheme and duty free replenishment certificate are accounted for at

NOTES to the financial statement for the year ended 31 March 2014

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

b) Gratuity

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

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

c) Compensated absence

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

d) Other short term benefits

Expenses relating to other short term benefits is recognised on the basis of amount paid or payable for 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 statement of profit and loss on straight line basis over the term of the lease.

xi Foreign currency transactions

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

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

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

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

NOTES to the financial statement for the year ended 31 March 2014

prudence enunciated in the notified Accounting Standard 1- Disclosure of Accounting Policies.

xii Research and development

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

xiii Borrowing cost

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised as part of the cost of such assets, in accordance with Accounting Standard 16 'Borrowing Costs' as notified by Company (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 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 Company will pay normal income tax during the specified period. In

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

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

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

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

NOTES to the financial statement for the year ended 31 March 2014

Note 4 : Share capital

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	₹ in lacs	Number	₹ in lacs
Authorised				
Equity shares of ₹ 2 each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
Equity shares of ₹ 1,000 each (refer note 44)	20,000	200.00	-	-
Preference shares of ₹ 1,000 each (refer note 44)	2,500	25.00	-	-
	2,225.00		2,000.00	
Issued				
Equity shares of ₹ 2 each	6,60,50,220	1,321.00	6,60,50,220	1,321.00
	1,321.00		1,321.00	
Subscribed and paid up				
Equity shares of ₹ 2 each fully paid up	6,60,46,395	1,320.93	6,60,46,395	1,320.93
Add : Forfeited shares		0.04		0.04
		1,320.97		1,320.97

(a) Reconciliation of share outstanding at the beginning and at the end of reporting year

Particulars	31 March 2014		31 March 2013	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Equity shares outstanding at the beginning/end of the year	6,60,46,395	1,320.93	6,60,46,395	1,320.93

(b) Terms and rights attached to equity shares

The Company has issued only one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. During the year ended 31 March 2014, the amount of per share dividend is recognised as distribution to equity shareholder as ₹ 3 per share (previous year ₹ 3 per share).

The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after setting 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.

	31 March 2014		31 March 2013	
	Number	% of holding	Number	% of holding
Paco Exports Limited	2,06,64,530	31.29	2,06,64,530	31.29
Soma Investments Limited	40,00,000	6.06	40,00,000	6.06
New Delhi Industrial Promoters & Investors Limited	36,50,000	5.53	36,50,000	5.53
T. Rowe Price International Discovery Fund	-	-	35,96,728	5.45

* Information is furnished as per shareholder register as at the year end.

NOTES to the financial statement for the year ended 31 March 2014

- (d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.
- (e) The above figure of subscribed and paid up capital includes application and allotment money received on forfeited shares amounting to ₹ 0.04 lacs (previous year ₹ 0.04 lacs).

Note 5 : Reserves and surplus

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
(a) Capital reserves		
Balance as at beginning/end of the year	120.80	120.80
(b) Capital redemption reserve		
Balance as at beginning/end of the year	15.00	15.00
(c) Securities premium account		
Balance as at beginning/end of the year	21,144.82	21,144.82
(d) Central subsidy reserve*		
Balance as at beginning/end of the year	25.00	25.00
(e) Business reconstruction reserve		
Balance as at beginning/end of the year	32,267.37	32,267.37
(f) General reserve**		
Opening balance	20,903.64	18,903.64
Add: transfer from surplus in the statement of profit and loss	2,000.00	2,000.00
Closing balance	22,903.64	20,903.64
(g) Surplus in the statement of profit and loss		
Opening balance	33,120.07	27,525.96
Add: net profit for the year	5,619.97	9,912.24
Less: adjustments on account of merger (refer note 44)	(71.85)	-
Appropriations :		
Proposed equity dividends including corporate dividend tax of ₹ 336.74 lacs (previous year ₹ 336.74 lacs)	(2,318.13)	(2,318.13)
Transfer to general reserve	(2,000.00)	(2,000.00)
Closing balance	34,350.06	33,120.07
Total	1,10,826.69	1,07,596.70

* 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.

NOTES to the financial statement for the year ended 31 March 2014

Note 6 : Long-term borrowings

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Secured		
Term loans from banks		
Foreign currency loans	42,311.48	48,809.66
Rupee loans	7,540.14	3,937.50
Total	49,851.62	52,747.16
Unsecured		
Deferred payment liabilities	4,880.27	5,075.54
	4,880.27	5,075.54
Total	54,731.89	57,822.70

Notes:

1. Foreign currency loans (including current maturities) comprises of:

- 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 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 Company situated at Sanathnagar and Bhongir in Andhra Pradesh.
- 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 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 Company

situated at Sanathnagar and Bhongir in Andhra Pradesh.

- 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 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 Company situated at Sanathnagar and Bhongir in Andhra Pradesh.
- The ECB of USD 8 million from Standard Chartered Bank (Mauritius) Limited carries and interest @ 6 months LIBOR plus 225 bps, is repayable in 32 equal installments of USD 0.25 million commencing from September 2012. 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 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 Company situated at Sanathnagar and Bhongir in Andhra Pradesh.

NOTES to the financial statement for the year ended 31 March 2014

- 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 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 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 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 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) 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 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 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) 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.
 - 3) 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 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.
 - 4) Current maturities of long term borrowings amounting to ₹ 17,876.36 lacs (previous year ₹ 9,543.23 lacs) are included under the head 'other current liabilities'.

NOTES to the financial statement for the year ended 31 March 2014

Note 7 : Deferred tax liabilities (net)

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Deferred tax liability arising on account of		
Depreciation and amortisation	15,435.53	13,272.85
Total	15,435.53	13,272.85
Deferred tax asset arising on account of		
Provision for doubtful debts and loans and advances	329.03	165.21
Employee benefits	210.84	187.48
Foreign exchange adjustments on external commercial borrowings	3,345.24	1,845.84
Others	10.02	65.46
	3,895.13	2,263.99
Total	11,540.40	11,008.86

Note 8 : Other long term liabilities

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Trade deposits from dealers (refer note 47)	1,342.75	1,168.66
Others		
Earnest money deposits	4.56	23.20
Vehicle loan deposits from employees	120.46	160.30
Security deposits/retention money payable	70.80	40.29
Other liabilities	5.20	5.16
Total	1,543.77	1,397.61

Note 9 : Long-term provisions

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits		
Compensated absences (refer note 36)	422.11	393.11
Total	422.11	393.11

NOTES to the financial statement for the year ended 31 March 2014

Note 10 : Short-term borrowings

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Secured		
Buyer's credit facilities	2,691.99	2,704.61
Cash credit facilities	17,548.13	2,008.04
Short term loans	8,000.00	2,250.00
	28,240.12	6,962.65
Unsecured		
Buyer's credit facilities	294.42	3,392.42
Short term loans	8,700.00	13,700.00
Commercial papers	-	8,500.00
	8,994.42	25,592.42
Total	37,234.54	32,555.07

Details of security and term of repayment of each type of borrowing:

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 carries rate of interest ranging between 0.78% - 2.09% per annum is repayable within 6 months from the date of avilment 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 Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

Cash credit facilities :

- a) Cash credit facilities from Central Bank of India carries an interest of 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 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 Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

- c) Cash credit facility from Standard Chartered Bank carries an interest of @ 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 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 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 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 Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

NOTES to the financial statement for the year ended 31 March 2014

- 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 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 Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.

Short term loans :

- a) Short term secured loan from DBS Bank Limited amounting to ₹ 3,500 lacs carries an interest of 10.35% per annum and is repayable by 27 July 2014.
- b) Short term secured loan from Central Bank of India amounting to ₹ 4,500 lacs carries an interest of 10.25% per annum and is repayable by 30 April 2014.

Terms of repayment of each type of unsecured short-term borrowing:

Buyer's credit facilities :

- a) Buyer's credit facilities from Punjab National Bank, Dubai and Bank of Baroda, Sydney 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
- amounting to ₹ 1,000 lacs carries an interest rate of 10.15% per annum is repayable by 6 April 2014.
 - amounting to ₹ 2,000 lacs carries an interest rate of 10.15% per annum is repayable by 15 April 2014.
 - amounting to ₹ 1,000 lacs carries an interest rate of 10.15% per annum is repayable by 24 April 2014.
 - amounting to ₹ 1,000 lacs carries an interest rate of 10.30% per annum is repayable by 14 May 2014.
 - amounting to ₹ 1,000 lacs carries an interest rate of 10.30% per annum is repayable by 18 May 2014.
 - 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.

Note 11 : Trade payables

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
- Due to Micro, Small and Medium Enterprises (refer note 35)	8.46	17.92
- Due to others	13,701.54	13,149.00
Total	13,710.00	13,166.92

NOTES to the financial statement for the year ended 31 March 2014

Note 12 : Other current liabilities

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Current maturities of long term borrowings (refer note 6)	17,876.36	9,543.23
Interest accrued but not due on borrowings	635.83	680.88
Investor education and protection fund*		
- Unclaimed dividends	75.26	66.86
- Unclaimed share fraction 2006	-	0.30
Gratuity payable (net of obligation) (refer note 36)	8.79	74.73
Other payables		
Advance from customers	1,155.19	1,411.23
Statutory liabilities	1,113.44	1,006.12
Payable to employees	1,285.61	1,077.13
Creditor for expenses	3,133.19	3,175.75
Commission payable to directors	974.21	1,143.15
Creditor for capital goods	474.19	588.59
Other liabilities**	9,653.14	8,150.33
Total	36,385.21	26,918.30

* Not due for deposit

** Including excise duty payable ₹ 2,923.99 lacs (previous year ₹ 2,544.88 lacs) on finished goods lying at the Company's bonded warehouses.

Note 13 : Short-term provisions

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits		
Compensated absences (refer note 36)	189.47	184.72
	189.47	184.72
Other provisions:		
Provision for income tax [net of advance tax of ₹ 1,888.45 (previous year ₹ Nil)]	255.31	-
Proposed equity dividend	1,981.39	1,981.39
Provision for Corporate dividend tax	336.74	336.74
	2,573.44	2,318.13
Total	2,762.91	2,502.85

NOTES to the financial statement for the year ended 31 March 2014

14. (a) Fixed assets

Tangible assets	Freehold land	Leasehold land	Building	Plant and machinery	Vehicles	Office equipments	Computers (including software)	Furniture and fixtures	Leasehold improvements	Total
Particulars										₹ in lacs
Gross block										
Balance as at 1 April 2012	47,678.27	241.77	19,387.19	65,893.32	2,154.06	552.68	2,233.60	1,150.57	10.44	1,39,301.90
Additions	582.20	-	5,926.97	28,166.18	183.23	44.64	110.49	334.64	-	35,348.35
Other adjustments (borrowing cost and foreign exchange fluctuation)	-	-	654.64	4,779.65	-	-	-	-	-	5,434.29
Deletions/adjustment	-	16.77	5.67	7.96	332.83	138.6	4.89	0.34	-	382.32
Balance as at 1 April 2013	48,260.47	225.00	25,963.13	98,831.19	2,004.46	583.46	2,339.20	1,484.87	10.44	1,79,702.22
Additions	1,847.48	10.00	3,709.33	2,277.39	429.80	31.88	115.81	182.17	-	8,603.86
Opening balance of transferor company (refer note c below)	473.25	42.57	775.12	4,933.36	11.70	43.88	35.26	8.99	-	6,324.13
Other adjustments (borrowing cost and foreign exchange fluctuation) (refer note a and b below)	-	-	601.65	3,948.60	-	-	-	-	-	4,550.25
Deletions/adjustment	-	-	19.48	13.20	300.37	61.10	17.09	62.95	-	474.19
Balance as at 31 March 2014	50,581.20	277.57	31,029.75	1,09,977.34	2,145.59	598.12	2,473.18	1,613.08	10.44	1,98,706.27
Accumulated depreciation										
Balance as at 1 April 2012	-	5.76	2,936.08	27,938.61	632.12	182.34	1,242.80	333.03	0.85	33,271.59
Additions	-	1.19	644.76	6,951.17	411.37	34.74	351.14	92.19	0.17	8,486.73
Deletions/adjustment	-	-	2.40	5.55	210.66	9.09	4.48	0.02	-	232.20
Balance 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 (refer note c below)	-	26.82	74.96	2,236.96	2.57	105.7	9.23	7.43	-	2,368.54
Additions	-	4.25	792.24	8,348.49	327.36	47.92	247.86	106.20	0.17	9,874.49
Deletions/adjustment	-	-	3.40	12.09	167.84	40.15	16.06	53.73	-	293.27
Balance 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
Net block										
Balance 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	1,45,230.39
Balance as at 31 March 2013	48,260.47	218.05	22,384.69	63,946.96	1,171.63	375.47	749.74	1,059.67	9.42	1,38,176.10

a) The borrowing cost capitalised during the year ended 31 March 2014 is ₹ Nil (previous year ₹ 953.17 lacs).

b) The premium and foreign exchange loss amounting to ₹ 4,550.25 lacs (previous year ₹ 4,481.12 lacs) has been capitalised during the year ended 31 March 2014.

c) As further detailed in note number 44, 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).

NOTES to the financial statement for the year ended 31 March 2014

14. (b) Fixed assets

Intangible assets				₹ in lacs
Particulars	Trademarks	Technical know how	Goodwill	Total
Gross block				
Balance as at 1 April 2012	300.00	207.30	-	507.30
Additions	-	-	-	-
Deletions/adjustment	-	-	-	-
Balance as at 1 April 2013	300.00	207.30	-	507.30
Additions	-	-	-	-
Opening balance of transferor company (refer note a below)	-	-	4,715.91	4,715.91
Deletions/adjustment	-	-	-	-
Balance as at 31 March 2014	300.00	207.30	4,715.91	5,223.21
Accumulated amortisation				
Balance as at 1 April 2012	300.00	39.76	-	339.76
Additions	-	21.05	-	21.05
Deletions/adjustment	-	-	-	-
Balance as at 1 April 2013	300.00	60.81	-	360.81
Opening balance of transferor company (refer note a below)	-	-	673.70	673.70
Additions	-	22.29	673.70	695.99
Deletions/adjustment	-	-	-	-
Balance as at 31 March 2014	300.00	83.10	1,347.40	1,730.50
Net block				
Balance as at 31 March 2014	-	124.20	3,368.51	3,492.71
Balance as at 31 March 2013	-	146.49	-	146.49

a) As further detailed in note number 44, 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).

NOTES to the financial statement for the year ended 31 March 2014

Note 15 : Non-current investments

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Trade investments (valued at cost unless stated otherwise)		
Equity shares (unquoted)		
Investment in subsidiaries		
22,000,000 (previous year 22,000,000) equity shares of ₹10 each fully paid-up in Hindware Home Retail Private Limited	4,300.00	4,300.00
50,000 (previous year 50,000) equity shares of ₹10 each fully paid-up in HSIL Associates Limited	5.00	5.00
1,705,000 (previous year 1,705,000) equity shares of USD 1 each fully paid-up in Halis International Limited, Mauritius	782.50	782.50
Nil (previous year 18,500) equity shares of ₹1,000 each fully paid-up in Garden Polymers Private Limited (refer note 44)	-	8,686.97
Member's contribution of Euro 180 (previous year Euro 180) Alchemy International Cooperatief U.A. (Member's contribution)	0.12	0.12
Other investments		
804,000 (previous year 804,000) equity shares of ₹ 10 each fully paid-up in Andhra Pradesh Gas Power Corporation Limited	1,073.61	1,073.61
60,000 (previous year 30,000) equity shares of ₹10 each fully paid-up in Indian Plumbing Skills Council	6.00	3.00
Preference shares (unquoted)		
Investment in subsidiaries		
1,472,000 (previous year 1,070,000) preference shares of USD 1 each fully paid-up in Halis International Limited, Mauritius	814.53	563.60
6,290,000 (previous year 4,290,000) preference shares of ₹ 100 each fully paid-up in Hindware Home Retail Private Limited	6,290.00	4,290.00
Total	13,271.76	19,704.80
Non-trade investments (valued at cost unless stated otherwise)		
Equity instruments (quoted)		
Other investments		
125 (previous year 125) equity shares of ₹ 10 each fully paid up in Neycer India Limited	0.01	0.01
50 (previous year 50) equity shares of ₹ 10 each fully paid up in Swastik Sanitarywares Limited	0.01	0.01
Government securities (unquoted)		
National Savings Certificates*	2.22	2.11
Total	2.24	2.13
Total	13,274.00	19,706.93
Aggregate amount of quoted investments (market value ₹ 0.02 lacs (previous year: ₹ 0.02 lacs))	0.02	0.02
Aggregate amount of unquoted investment	13,271.76	19,704.80
*Deposited with government authority	2.22	2.11

NOTES to the financial statement for the year ended 31 March 2014

Note 16 : Long-term loans and advances (considered good)

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Capital advances, secured	3,111.67	3,276.35
Security deposits, unsecured	1,273.67	1,158.09
Other loans and advances, unsecured		
Prepaid expenses	14.88	84.06
Others	580.03	296.00
Total	4,980.25	4,814.50

Note 17 : Other non-current assets

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Fixed deposits with banks whose original maturity is more than twelve months*	165.01	110.17
Interest accrued but not due on deposits	4.49	44.84
Total	169.50	155.01

* Includes margin money deposits amounting to ₹ 165.01 lacs (previous year: ₹ 110.17 lacs) pledged with banks against various bank guarantees/letter of credit issued by banks on behalf of the company.

Note 18 : Inventories

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
(As taken, valued and certified by the management)		
Raw materials and components	2,982.01	3,227.93
Work-in-progress	1,510.70	1,312.97
Finished goods (including traded goods)	32,184.51	27,413.14
Stores and spares	2,446.22	2,445.09
Add: Goods in transit	69.80	294.06
Loose tools	10.07	14.47
Packing material	888.28	730.13
Oils, fuels, lubricants and others	481.41	769.04
Total	40,573.00	36,206.83

NOTES to the financial statement for the year ended 31 March 2014

Note 19 : Trade receivables

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
(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
- Unsecured	381.90	334.32
Considered doubtful	948.24	461.74
	1,377.80	823.64
Less: Provision for doubtful debts	948.24	461.74
	429.56	361.90
Other debts		
- Considered good	40,007.69	34,287.01
- Considered good - secured	500.59	460.89
	40,508.28	34,747.90
Total	40,937.84	35,109.80

Note 20 : Cash and bank balances

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Cash and cash equivalents		
Balance with banks in current accounts	879.10	422.99
Cheques in hand	766.03	844.37
Cash in hand	89.86	72.96
Remittance in transit	483.60	589.63
Fixed deposits with original maturity of less than 3 months	3,100.00	5,450.00
	5,318.59	7,379.95
Earmarked balances with banks		
Unclaimed dividend accounts	75.26	66.86
Unclaimed share fraction account	-	0.30
Other bank balances		
Held as margin money in fixed deposits	453.05	471.31
Fixed deposits with original maturity of more than 3 months but less than twelve months	-	2.07
Total	5,846.90	7,920.49

NOTES to the financial statement for the year ended 31 March 2014

Note 21 : Short-term loans and advances

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good		
Advances to suppliers	1,162.37	623.94
Loans and advances to related parties		
- Inter corporate loan	-	725.00
- Interest accrued on inter corporate loan	-	6.10
Advances recoverable in cash or in kind or for value to be received	517.05	512.05
Balances with excise, sales tax and other authorities	1,411.20	1,697.86
MAT credit entitlement	757.92	2,471.46
Advance income tax (net of provision of ₹ Nil previous year ₹ 11,535.13)	-	121.27
	3,848.54	6,157.68
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	51.97	119.30
Less : Provision for doubtful loans and advances	51.97	119.30
	-	-
Total	3,848.54	6,157.68

Particulars	As at 31 March 2014		As at 31 March 2013	
	No.	₹ in lacs	No.	₹ in lacs
Short-term loans and advances includes:				
Loans and advances to related parties includes				
Due from a subsidiary Company	-	-	1	731.10

Note 22 : Other current assets

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Interest accrued but not due on deposits	194.41	128.32
Total	194.41	128.32

NOTES to the financial statement for the year ended 31 March 2014

Note 23 : Income from operations (gross)

₹ in lacs

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Sales of products		
Finished goods	1,85,571.06	1,68,189.20
Other operating income		
Export incentives	333.89	81.65
Sundry balances and liabilities no longer required, written back	246.27	451.32
Gain on foreign exchange fluctuations	278.98	384.50
Maintenance service income	39.39	66.59
Insurance claims received	502.12	418.32
Scrap sales	357.60	392.09
Miscellaneous income	1,206.37	556.79
Total	1,88,535.68	1,70,540.46
Detail of products sold		
Sanitaryware, fittings and other allied products	91,013.73	77,161.37
Glass bottles, containers and pet bottles	94,400.03	90,861.87
Others	157.30	165.96
	1,85,571.06	1,68,189.20

Note 24 : Other income

₹ in lacs

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Rent received	42.24	37.66
Interest received from		
Loans to subsidiaries	2.01	94.23
Loans to bodies corporate	0.96	2.82
Deposits with banks	187.90	84.35
Margin money with banks	9.11	49.72
Other accounts	3.70	57.57
Sundry balances and liabilities no longer required written back	5.00	26.00
Gain on disposal of fixed assets	13.88	93.97
Gain on sale of current investments	25.71	6.60
Miscellaneous income	83.09	2.03
Total	373.60	454.95

NOTES to the financial statement for the year ended 31 March 2014

Note 25 : Cost of raw materials consumed

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Detail of raw materials and components consumed		
Clay	1,362.52	1,498.25
Soda ash	9,914.75	12,681.26
Cullets	6,872.15	5,183.21
Quartz/feldspar	1,743.34	1,748.31
Others	13,635.16	7,385.27
	33,527.92	28,496.30
Closing stock of raw material and components		
Clay	128.76	135.62
Soda ash	197.48	1,012.79
Cullets	685.85	702.41
Quartz/feldspar	54.24	97.77
Others	1,915.68	1,279.34
Total	2,982.01	3,227.93

Note 26 : Purchases of traded goods

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Sanitaryware and other allied products	28,867.21	22,524.97
Total	28,867.21	22,524.97

NOTES to the financial statement for the year ended 31 March 2014

Note 27 : Change in stock of finished goods and work in progress

₹ in lacs

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Opening stock		
Work in progress	1,312.97	1,215.93
Finished goods*	27,891.07	17,249.86
	29,204.04	18,465.79
Less: Closing stock		
Work in progress	1,510.70	1,312.97
Finished goods	32,184.51	27,413.14
	33,695.21	28,726.11
Change in stocks	4,491.17	10,260.32
Excise duty on opening stock*	2,579.43	1,354.40
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 stock	2,969.08	2,544.93
Change in excise duty on finished goods	389.65	2,613.38
	4,101.52	7,646.94
Details of inventory		
Work-in-progress		
Sanitaryware and fittings	1,339.02	1,101.10
Glass bottles and containers	171.68	211.87
	1,510.70	1,312.97
Finished goods		
Sanitaryware, fittings and other allied products	13,204.79	12,636.35
Glass bottles, containers and pet bottles	18,979.72	14,776.79
Total	32,184.51	27,413.14

*Finished goods, inter-alia, includes an amount of ₹ 477.93 lacs and corresponding excise duty amounting to ₹ 34.50 lacs which has been considered pursuant to the merger of Garden Polymer Private Limited with HSIL Limited. Also refer note 44.

NOTES to the financial statement for the year ended 31 March 2014

Note 28 : Employee benefits expense

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, wages and bonus	15,410.90	14,409.37
Contribution to provident and other funds	860.41	730.08
Staff welfare expenses	749.23	693.31
Total	17,020.54	15,832.76

Note 29 : Other expenses

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Power and fuel	37,701.70	39,654.64
Stores and spares consumed	3,809.86	3,785.55
Packing material consumed	8,789.63	8,065.30
Loose tools consumed	58.13	73.55
Oil, fuel and lubricants consumed	321.74	319.24
Repairs and maintenance:		
Buildings	268.81	308.90
Plant and machinery	924.55	933.80
Other assets	310.73	253.47
Rent (including hire charges)	711.61	662.48
Rates and taxes	448.69	429.17
Directors sitting fees	2.45	1.01
Expenditure on ceramic and applied research centre (refer note 43)	68.85	57.28
Insurance	477.35	396.44
Travelling and conveyance	1,747.29	1,782.12
Discounts	3,868.81	3,577.99
Commission on sales	814.15	595.56
Freight and forwarding charges - exports	676.56	1,055.84
Advertisement and publicity	1,575.29	1,842.60
Other selling and distribution expenses	6,572.23	5,932.66
Provision for doubtful debts and advances	466.27	159.25
Bad debts written off	7.93	18.96
Charity and donation	1.45	60.00
Loss on foreign exchange fluctuation	1,145.52	571.74
Loss on disposal of fixed assets	27.15	4.28
Miscellaneous expenses	1,798.89	1,674.88
Total	72,595.64	72,216.71

NOTES to the financial statement for the year ended 31 March 2014

Note 30 : Finance cost

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Interest on:		
- Fixed period loans	3,524.16	3,506.31
- Others	3,028.45	2,819.20
Other borrowing costs	236.82	68.65
Total	6,789.43	6,394.16

Note 31 : Earning per share

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
a) Profit attributable to equity shareholders	5,619.97	9,912.24
b) Computation of weighted average number of shares for Basic and diluted earnings per share (refer note 4)	6,60,46,395	6,60,46,395
c) Nominal value per share (₹)	2	2
d) Earnings per share – basic and diluted (₹)	8.51	15.01

Note 32 : Contingent liabilities

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
1) Contingent liabilities not provided for in respect of:		
a) Demands raised by the excise authorities against which appeals have been filed	364.21	306.22
b) Demands made by the sales tax authorities against which appeals have been filed	295.85	148.04
c) Demands raised by the income tax authorities against which appeals have been filed	62.65	283.60
d) Duty availed on imports against Export Promotion Capital Goods licenses	2,818.42	2,982.85
e) Bank guarantees outstanding	3,057.76	2,524.75
f) Loan outstanding of ₹ 3,455.35 lacs (previous year ₹ 3,488.23 lacs) against corporate guarantees (as given to Barwood Products Limited and Hindware Home Retail Private Limited) of ₹ 8,234.83 lacs (previous year ₹ 7,212.10 lacs)		
g) Claims against the Company not acknowledged as debts	2,043.44	2,119.60
2) Unfulfilled export obligation under Export Promotion Capital Goods license of Export Import Policy	22,547.37	23,862.82

NOTES to the financial statement for the year ended 31 March 2014

Note 33 : Capital and other commitments

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Commitments relating to contracts remaining to be executed on capital account and other commitments not provided for	2,857.76	7,582.73

Note 34 : Payment to auditors for:

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
a) Statutory audit fees	15.00	15.00
b) Tax audit fees	2.50	2.50
c) Other services (including limited review)	10.00	10.00
d) Reimbursement of expenses	6.04	5.55
e) Service tax	4.15	4.09
Total	37.69	37.14

Note 35 : Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Principal amount remaining unpaid	8.46	17.92
Interest accrued and remaining unpaid as at year end	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2014 has been made in the financials statements based on information received and available with the Company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

Note 36 : Employee benefits

During the year the Company has recognised the following amounts in the statement of profit and loss.

a) Provident and other fund*:

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Employer's contribution to provident fund**	533.83	436.60
Employer's contribution to employee's state insurance	130.65	115.08

* included in contribution to provident and other funds (refer note 28)

** 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 Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. However, as at the year-end the Company is having no interest shortfall, which is unprovided.

NOTES to the financial statement for the year ended 31 March 2014

b) Defined benefit plan - gratuity (funded)

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Amount recognised in the balance sheet :		
Present value of obligations	1,355.55	1,329.84
Fair value of plan assets	1,346.76	1,255.11
Net liability recognised in the balance sheet (refer note 12)	8.79	74.73
Amounts recognised in the statement of profit and loss :		
Current service cost	131.21	119.88
Interest cost	107.12	91.16
Expected return on plan assets	(110.84)	(90.44)
Actuarial loss	8.93	14.12
Total included in employee benefits expense*	136.42	134.72
*refer note 28		
Return on plan assets:		
Expected return on plan assets	110.84	90.44
Actuarial loss	0.73	35.93
Actual return on plan assets	111.57	126.37
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	1,329.84	1,210.32
Acquisition adjustment (refer note 44)*	11.08	-
Interest cost	107.12	91.16
Current service cost	131.21	119.88
Benefits paid	(233.35)	(141.58)
Actuarial (gain)/loss	9.65	50.06
Defined benefit obligation at the end of the year	1,355.55	1,329.84
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,255.11	1,130.54
Acquisition adjustment (refer note 44)*	11.58	-
Expected return on plan assets	110.84	90.44
Employer's contributions	201.85	139.78
Benefits paid	(233.35)	(141.58)
Actuarial loss	0.73	35.93
Fair value of plan assets at the end of the year	1,346.76	1,255.11

* transfer of balances (as per actuarial valuation report) on account of merger of Garden Polymer Private Limited ('transferor company') with HSIL Limited ('transferee company').

Particulars	Year ended	
	31 March 2014	31 March 2013
Assumptions used to determine the defined benefit obligation:		
Discount rate	8.75%	8.00%
Expected rate of increase in compensation levels	6.25%	5.00%
Expected rate of return on plan assets	8.75%	8.00%
Expected average remaining working life of employees	18 years	17 years

NOTES to the financial statement for the year ended 31 March 2014

Amounts for the current and previous years are as follows:	2013-14	2012-13	2011-12	2010-11	₹ in lacs 2009-10
Defined benefit plan – gratuity					
Defined benefit obligation	(1,355.55)	(1,329.84)	(1,210.32)	(1,095.89)	(1,006.32)
Plan assets	1,346.76	1,255.11	1,130.54	1,114.43	1,072.59
(Deficit)/surplus	(8.79)	(74.73)	(79.78)	18.54	66.27

The Company made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The Company was not informed by BSL of the investment made or the break down of plan assets by investment type, accordingly related disclosures are not included in these financial statements.

c) Defined benefit plan - compensated absences (unfunded)

Particulars	Year ended 31 March 2014	Year ended 31 March 2013
Amounts recognised in the balance sheet		
Long-term (refer note 9)	422.11	393.11
Short-term (refer note 13)	189.47	184.72
Amounts recognised in the statement of profit and loss		
Current service cost	77.92	79.55
Interest cost	46.23	35.45
Actuarial loss	115.15	173.54
Total included in employee benefits expense*	239.30	288.54
* Refer note 28		
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	577.83	443.18
Interest cost	46.23	35.45
Current service cost	77.92	79.55
Benefits paid	(205.55)	(153.89)
Actuarial loss	115.15	173.54
Defined benefit obligation at the end of the year	611.58	577.83
Assumptions used		
Discounting rate	8.50%	8.00%
Expected rate of increase in compensation levels	6.00%	5.50%
Expected average remaining working life of employees	21.86 years	21.77 years

NOTES to the financial statement for the year ended 31 March 2014

Note 37 : Un-hedged position

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below as on each balance sheet date:

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Trade Receivables		
Exports outstanding	617.33	700.27
Trade Payables		
Payable on imports	811.04	1,312.16
Short-term borrowings		
Buyer's credit facility	2,986.41	6,097.03
Long-term borrowings		
Term loan	32,839.49	32,412.69

Note 38 : Details of derivative instruments outstanding as on 31 March 2014

Particulars of hedged derivatives	in lacs		Purpose
	As at 31 March 2014	As at 31 March 2013	
Sell (in US\$)	-	60.00	Hedge of future receipts towards external commercial borrowings
Buy (in US\$)	410.89	455.66	Hedge of future payments towards external commercial borrowings.

Note 39 : In accordance with the required Accounting Standard (AS-18) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by the management are as follows:

a) List of related parties

Relationship	Name of related party
Key management personnel (KMP)	Rajendra K Somany (Father) Sandip Somany (Son)
Wholly owned subsidiaries	Hindware Home Retail Private Limited HSIL Associates Limited Garden Polymers Private Limited (till 13 March 2014)* Halis International Limited, Mauritius Alchemy International Cooperatief U.A. (subsidiary of Halis International Limited) Haas International B.V. (subsidiary of Alchemy International Cooperatief U.A.) Barwood Products Limited (subsidiary of Haas International B.V.)
Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	Textool Mercantile Private Limited Paco Exports Limited New Delhi Industrial Promotors and Investors Limited Soma Investments Limited Jugmug Projects Limited

NOTES to the financial statement for the year ended 31 March 2014

b) Summary of related party transactions-

₹ in lacs

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
A Transactions during the year						
a) Sale of goods						
Hindware Home Retail Private Limited	149.05	659.83	-	-	-	-
b) Purchase of trading goods						
Hindware Home Retail Private Limited	50.36	47.99	-	-	-	-
c) Expenses paid on behalf of subsidiary						
Hindware Home Retail Private Limited	8.34	28.46	-	-	-	-
d) Expenses paid by subsidiary on our behalf						
Hindware Home Retail Private Limited	1.77	16.01	-	-	-	-
e) Rent paid						
Hindware Home Retail Private Limited	29.27	18.05				
Rajendra K Somany	-	-	4.80	4.80	-	-
Textool Mercantile Private Limited	-	-	-	-	0.73	0.50
Paco Exports Limited	-	-	-	-	18.48	17.78
f) Interest income						
Garden Polymers Private Limited (till 13 March 2014)	-	94.23	-	-	-	-
Hindware Home Retail Private Limited	2.01	-	-	-	-	-
g) Rent income						
Soma Investments Limited	0.01	0.01	-	-	-	-
New Delhi Industrial Promoters and Investors Limited	0.01	0.01	-	-	-	-
Paco Exports Limited	0.01	0.01	-	-	-	-
h) Sale of shares held in subsidiary						
Jugmug Projects Limited	-	-	-	-	-	4,195.27
i) Investment made						
Hindware Home Retail Private Limited	2,000.00	2,290.00	-	-	-	-
AGI Glasspack Limited (till 25 March 2013)	-	299.38	-	-	-	-
Halis International Limited	250.93	296.61	-	-	-	-
j) Intercompany loan given						
Garden Polymers Private Limited (till 13 March 2014)	-	375.00	-	-	-	-
Hindware Home Retail Private Limited	500.00	-	-	-	-	-

NOTES to the financial statement for the year ended 31 March 2014

₹ in lacs

Particulars	Subsidiaries		Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
k) Intercompany loan installment received						
Garden Polymers Private Limited (till 13 March 2014)	-	550.00	-	-	-	-
Hindware Home Retail Private Limited	500.00	-	-	-	-	-
l) Director's remuneration						
Rajendra K Somany	-	-	573.49	649.41	-	-
Sandip Somany	-	-	573.49	636.41	-	-
B Balance outstanding at the year end						
a) Advances receivable						
Garden Polymers Private Limited (till 13 March 2014)*	-	731.10	-	-	-	-
b) Remuneration payable						
Rajendra K Somany	-	-	390.76	493.74	-	-
Sandip Somany	-	-	437.75	519.53	-	-

* with effect from 13 March 2014 this company has been merged in the transferee company namely HSIL Limited.

Note 40 : Payment to directors*

₹ in lacs

Particulars	Year ended	
	31 March 2014	31 March 2013
a) Salary	277.48	237.48
b) Contribution to provident fund	33.30	28.50
c) Commission	974.21	1,143.15
d) Perquisites	7.70	6.57
e) Directors' sitting fee	2.45	1.01
Total	1,295.14	1,416.71

* exclusive of provision for future liability in respect of gratuity and leave encashment which is based on actuarial valuation done on Company as a whole.

NOTES to the financial statement for the year ended 31 March 2014

Note 41 : Particulars relating to foreign exchange

a) Value of imports calculated on C.I.F. basis during the year in respect of

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Raw materials and components	8,085.13	9,513.62
Stores and spares	712.21	1,299.67
Capital goods	1,094.09	3,022.83
Sanitaryware and other allied products	8,553.12	6,052.53
Total	18,444.55	19,888.65

b) Expenditure in foreign currency (on accrual basis)

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Commission on exports	12.66	6.97
Travelling	239.53	271.48
Consultancy fee	163.43	474.17
Finance cost	2,964.62	1,928.32
Rent	1.71	5.03
Others	0.24	24.16
Total	3,382.19	2,710.13

c) Earnings in foreign exchange (on accrual basis)

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
FOB value of export of goods	2,638.82	3,399.59
Total	2,638.82	3,399.59

d) Value of imported and indigenous raw materials and component, packing material, loose tools, oil, fuel and lubricants, stores and spares consumed

Raw materials and components

Particulars	31 March 2014		31 March 2013	
	Value	%	Value	%
Imported	10,175.03	30.35	10,539.11	36.98
Indigenous	23,352.89	69.65	17,957.19	63.02
Total	33,527.92	100.00	28,496.30	100.00

NOTES to the financial statement for the year ended 31 March 2014

Packing material, loose tools and oil, fuel and lubricants

Particulars	31 March 2014		31 March 2013	
	Value	%	Value	%
Imported	-	0.00	24.81	0.29
Indigenous	9,169.50	100.00	8,433.28	99.71
Total	9,169.50	100.00	8,458.09	100.00

Stores and spare parts

Particulars	31 March 2014		31 March 2013	
	Value	%	Value	%
Imported	663.69	17.42	741.21	19.58
Indigenous	3,146.17	82.58	3,044.34	80.42
Total	3,809.86	100.00	3,785.55	100.00

Note 42 : Capital work in progress includes expenditure during construction period

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Balance brought forward from previous year	-	3,721.89
Add:		
Raw material consumed	-	1,063.61
Packing material consumed	-	241.47
Stores and spares consumed	-	272.31
Power and fuel	-	1,519.57
Traveling and conveyance	-	10.05
Rent and hiring charges	-	9.80
Salary, wages and bonus	-	152.26
Interest paid	-	246.94
Foreign exchange fluctuation loss	-	25.81
Miscellaneous expenses	-	31.48
(A)	-	7,295.19
Less :		
Sales	-	2,253.09
Increase in stocks including excise duty	-	574.08
Interest received	-	17.88
(B)	-	2,845.05
Total (A-B)	-	4,450.14
Allocated to fixed assets	-	4,450.14

NOTES to the financial statement for the year ended 31 March 2014

Note 43 : Expenditure on ceramic and applied research

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, wages and bonus	50.95	44.37
Contribution to provident and other funds	2.18	2.06
Stores and spares consumed	15.72	10.85
Total	68.85	57.28

Note 44 : Scheme of Amalgamation

- a) The Board of Directors of the Company on 25 September 2012 approved the Scheme of Amalgamation (the 'Scheme') between Garden Polymer Private Limited ('transferor Company') and HSIL Limited ('transferee Company'). The Scheme has been approved by the Hon'ble High Court of Calcutta on 13 March 2014 and made effective upon filing of the approved scheme with the Registrar of Companies, West Bengal with an appointed date of 1 April 2012.
- 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 identifiable assets and liabilities of the Transferor Company at their respective fair values.
 - in case of any differences arising in accounting policies between the Transferor Company and Transferee Company, the impact of the same has been adjusted in the Statement of Profit and Loss of the Transferee Company.
 - the difference between the investment made by the Transferee Company in the Transferor Company and the net assets acquired of the Transferor Company has been shown under Goodwill.

NOTES to the financial statement for the year ended 31 March 2014

(e) The financial impact of the above amalgamation is as follows:

Particulars	(₹ in lacs)	
	Amount	
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)

Note 45 : DETAILS OF AMOUNT DUE FROM ENTITIES PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH STOCK EXCHANGE

Loans and advances			(₹ in lacs)	
Particulars	31 March 2014		31 March 2013	
	Maximum balance outstanding during the year	Closing Balance	Maximum balance outstanding during the year	Closing Balance
Hindware Home Retail Private Limited	500.00	-	-	-
Garden Polymer Private Limited (till 13 March 2014)	731.10	-	906.10	731.10

NOTES to the financial statement for the year ended 31 March 2014

Note 46 : Exceptional items

During the previous year the Company has divested its entire investment held in equity shares of AGI Glasspack Limited, a wholly owned subsidiary of the Company at a total consideration of ₹ 4,195.27 lacs. Consequent to divestment, AGI Glasspack Limited has ceased to be a subsidiary of the Company w.e.f. 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 financial statements.

Note 47

In view of long term business relations, trade deposits from dealers are considered as long term liabilities.

Note 48

Segment information, as required under AS-17 "Segment Reporting", has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

Note 49

Lease payments under cancelable operating leases amounting to ₹ 711.61 lacs (previous year ₹ 662.48 lacs) are recognised as an expense in the statement of profit and loss as rentals.

Note 50

Under the Income Tax Act, 1961 for, domestic Transfer Pricing transaction introduced with effect from April 1 2012, the Company is required to use specified methods for computing arm's length price in relation to domestic transactions with its associated enterprises. Further, Company is required to maintain prescribed information and documents in relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial year. Based on the preliminary study for the current year and completed study for the financial year ended March 31, 2013, the management is of the view that the same would not have a material impact on the tax expenses provided for in these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

Note 51

Previous year figures have been regrouped/recast wherever considered necessary to make them comparable with those of the current year. The current year figures take into consideration the merger of transferor company with the Company as detailed in note 44 above and as such are not comparable to the previous year's figures.

For and on behalf of the Board of Directors

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

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Per Atul Seksaria
Partner
Place : Gurgaon
Date : 29 May 2014

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To

The Board of Directors of HSIL Limited

1. We have audited the accompanying consolidated financial statements of HSIL Limited (the 'Company') and its subsidiaries (hereinafter collectively referred to as the 'Group') which comprises the Consolidated Balance Sheet as at 31 March 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year ended and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - (b) in the case of Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date

Other Matter

7. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 5,468.23 lacs as at 31 March 2014; total revenues (after eliminating intra-group transactions) of ₹ 2,000.15 lacs and net cash out flows aggregating to ₹ 19.79 lacs for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**

Place: Gurgaon

Partner

Date: 29 May 2014

Membership No.: 086370

CONSOLIDATED BALANCE SHEET

as at 31 March 2014

	Notes	As at 31 March 2014	₹ in lacs As at 31 March 2013
Equity and liabilities			
Shareholders' fund			
Share capital	5	1,320.97	1,320.97
Reserves and surplus	6	1,01,508.31	1,01,307.84
		1,02,829.28	1,02,628.81
Non-current liabilities			
Long-term borrowings	7	55,242.09	58,655.56
Deferred tax liabilities (net)	8	11,540.40	11,411.55
Other long term liabilities	9	1,543.77	1,406.61
Long-term provisions	10	466.55	443.81
Total		68,792.81	71,917.53
Current liabilities			
Short-term borrowings	11	39,663.22	34,665.19
Trade payables	12	15,024.49	16,216.70
Other current liabilities	13	38,341.64	29,056.57
Short-term provisions	14	2,764.63	2,511.00
		95,793.98	82,449.46
Total		2,67,416.07	2,56,995.80
Assets			
Non-current assets			
Fixed assets			
Tangible assets	15	1,48,084.45	1,44,516.56
Intangible assets	15	3,503.67	157.33
Capital work-in-progress		11,946.86	6,219.29
		1,63,534.98	1,50,893.18
Goodwill on consolidation	15	347.44	5,783.79
Non-current investments	16	1,081.74	1,078.74
Long-term loans and advances	17	5,473.31	5,335.64
Other non-current assets	18	195.76	185.92
		1,70,633.23	1,63,277.27
Current assets			
Current investments	19	4.15	4.26
Inventories	20	44,433.17	40,667.89
Trade receivables	21	41,916.47	38,932.73
Cash and bank balances	22	6,029.28	8,196.66
Short-term loans and advances	23	4,205.36	5,782.84
Other current assets	24	194.41	134.15
		96,782.84	93,718.53
Total		2,67,416.07	2,56,995.80

Notes 1 to 47 form an integral part of these financial statements

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

For and on behalf of the Board of Directors

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

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Per Atul Seksaria
Partner
Place : Gurgaon
Date : 29 May 2014

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2014

	Notes	₹ in lacs	
		Year ended 31 March 2014	Year ended 31 March 2013
Income			
Income from operations (gross)	25	1,99,708.45	1,90,220.47
Less: Excise duty		13,887.77	14,092.98
Income from operations (net)		1,85,820.68	1,76,127.49
Other income	26	381.20	383.39
		1,86,201.88	1,76,510.88
Expenses			
Cost of raw material consumed	27	33,722.66	34,270.64
Purchases of traded goods	28	35,340.32	28,623.40
Changes in stock of finished goods and work in progress	29	(4,310.67)	(8,615.69)
Employee benefits expense	30	18,843.82	18,222.26
Other expenses	31	76,893.42	77,757.03
		1,60,489.55	1,50,257.64
Profit before depreciation and amortisation, finance costs, exceptional items and tax expense		25,712.33	26,253.24
Depreciation and amortisation expense	15	11,011.82	9,321.25
Finance cost	32	7,177.90	6,939.07
Profit before tax and exceptional items		7,522.61	9,992.92
Exceptional items (refer note 46)		-	2,366.30
Profit before tax		7,522.61	12,359.22
Tax expense			
Current tax			
- Current year		3,974.93	3,032.10
- Earlier years		274.88	-
MAT credit entitlement		-	(2,471.46)
Deferred tax		(125.30)	3,593.69
Profit for the year		3,398.10	8,204.89
Earnings per equity share (₹)	33		
Basic and diluted earning per equity share		5.14	12.42

Notes 1 to 47 form an integral part of these financial statements

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

For and on behalf of the Board of Directors

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

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Per Atul Seksaria
Partner
Place : Gurgaon
Date : 29 May 2014

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2014

₹ in lacs

	Year ended 31 March 2014	Year ended 31 March 2013
A. Cash flow from operating activities		
Profit before tax	7,522.61	12,359.22
Adjustments for:		
Unrealised foreign exchange (gain)/loss	(11.65)	4.98
Depreciation and amortisation	11,011.82	9,321.25
Gain on disposal of fixed assets	(19.33)	(97.48)
Loss on disposal of fixed assets	29.05	4.28
Finance cost	7,179.91	6,939.07
Dividend income	-	(0.60)
Interest income	(204.19)	(198.64)
Gain on sale of current investments	(25.75)	(14.26)
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
Sundry balances and liabilities no longer required, written back	(272.34)	(535.83)
Miscellaneous expenditure written off	-	0.06
Operating profit before working capital changes	25,684.81	25,611.96
Adjustments for :		
Increase in inventories	(3,765.28)	(10,075.34)
Increase in trade and other receivables	(312.06)	(12,214.39)
(Decrease)/increase in trade and other payables	(3,792.71)	3,173.48
Cash generated from operations	17,814.76	6,495.71
Direct taxes paid	(1,570.00)	(3,433.94)
Net cash flow from operating activities	16,244.76	3,061.77
B. Cash flow from investing activities		
Acquisition of fixed assets including capital work in progress	(19,246.28)	(12,044.69)
Proceeds from sale of fixed assets	188.96	299.92
Purchase of investments	(10,728.11)	(1,703.19)
Proceeds from sale of investments	10,750.86	5,919.11
Movement in other bank balances	(0.10)	(181.51)
Interest received	176.44	160.54
Dividend received	-	0.60
Net cash used in investing activities	(18,858.23)	(7,549.22)

	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
C. Cash flow from financing activities		
Proceeds from long-term borrowings	15,119.54	11,354.57
Repayment of long-term borrowings	(10,228.65)	(6,837.48)
Movement in short-term borrowings (net)	5,074.42	9,586.96
Interest paid	(7,209.39)	(6,730.36)
Dividend paid	(1,972.99)	(1,969.76)
Taxes on dividend paid	(336.74)	(321.43)
Net cash flow from financing activities	446.19	5,082.50
Net (decrease)/increase in cash and cash equivalents	(2,167.28)	595.05
Cash and cash equivalents at the beginning of the year	7,657.54	7,062.49
Cash and cash equivalents at the end of the year	5,490.26	7,657.54
Note:		
Cash and bank balances include (refer note 22):		
Cash, cheques in hand, remittances in transit and fixed deposits	4,550.97	7,174.52
Balances in current account with bank	939.29	483.02
Cash and cash equivalents	5,490.26	7,657.54
Held as margin money in fixed deposits	463.76	471.96
Unclaimed dividend accounts	75.26	66.86
Unclaimed share fraction account	-	0.30
Other bank balances	539.02	539.12
Cash and bank balances as per balance sheet	6,029.28	8,196.66

Notes 1 to 47 form an integral part of the financial statements

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

For and on behalf of the Board of Directors

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

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Per Atul Seksaria
Partner
Place : Gurgaon
Date : 29 May 2014

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 1 : Principles of Consolidation

The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement include the financial statements of HSIL Limited, i.e. the Parent Company and its subsidiaries, Hindware Home Retail Private Limited, HSIL Associates Limited, Halis International Limited, Alchemy International Cooperatief U.A., Haas International B.V. and Barwood Products Limited (collectively referred to the 'Consolidated financial statements'). The consolidated financial statements of the Group have been prepared in accordance with Accounting Standard AS 21 'Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006. Also, refer note 44, which elaborates details of the amalgamation of the erstwhile subsidiary, Garden Polymers Private Limited, with the Parent Company.

The consolidated financial statements have been combined on a line by line basis by adding the book

value of the like items of the assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealised profits in full (if any). The amounts shown in respect of reserves comprise the amount of the relevant reserves as per balance sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries and further adjusted pursuant to note 44.

The excess/deficit of cost to the Parent Company of its investment over its portion of equity in the subsidiaries at the respective date on which the investment in such entity was made is recognised in the financial statements as goodwill/capital reserve on consolidation. The Parent Company's portion of equity in such entities is determined on the basis of book value of assets and liabilities as per financial statements of the entity as on the date of investment.

The consolidated statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

Statement of entities consolidated

Company	Date of Shareholding	Country of Incorporation	Percentage of shareholding
Hindware Home Retail Private Limited	09-Sep-06	India	100%
HSIL Associates Limited	04-Sep-08	India	100%
Halis International Limited	14-Jan-09	Mauritius	100%
Alchemy International Cooperatief U.A. (Subsidiary of Halis International Limited)	24-Apr-09	Netherlands	100%
Haas International B.V. (Subsidiary of Alchemy International Cooperatief U.A.)	08-Jul-09	Netherlands	100%
Barwood Products Limited (Subsidiary of Haas International B.V.)	23-Jun-10	U.K	100%

Note 2 : Basis of preparation

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis, as supplemented by revaluation of certain fixed assets in accordance with the generally accepted accounting principles in India and 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 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 accounting policies have been consistently applied by the Group.

Note 3 : Use of estimates

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

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 4: Summary of significant accounting policies

i. Fixed assets

Tangible

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

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

Intangible

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

Capital work-in-progress

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

ii. Depreciation and amortisation

A Tangible

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 (previous year ₹ 19,890.76 lacs) 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 presently 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 amortised over a period of seven years.

iii. Impairment of assets

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

iv. Investments

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

NOTES to the Consolidated financial statement for the year ended 31 March 2014

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-process - At cost up to estimated stage of completion.

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

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

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

Finished goods - traded - On weighted average basis.

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

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

vi. Cash and cash equivalent

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

vii. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the 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 realisation basis.

viii. Export benefit/incentives

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

ix. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with 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 recognised by income tax authorities and regional provident fund. In terms of the Guidance note on implementing the Revised AS 15, issued by the Accounting Standard Board of the Institute of Chartered Accountants of India (the 'ICAI'), the provident fund set up by the Parent Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised 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.

NOTES to the Consolidated financial statement for the year ended 31 March 2014

b) **Gratuity**

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

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

c) **Compensated absence**

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

d) **Other short term benefits**

Expenses relating to other short term benefits is recognised on the basis of amount paid or payable for 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 statement of profit and loss on straight line basis over the term of the lease.

xi. **Foreign currency transactions**

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

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are restated at the exchange rates prevailing at the balance sheet date. Differences arising on such restatement are recognised in the statement of profit and loss except to the extent permitted by the transitional provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009 in respect of long term

foreign currency monetary items, in which case the cost of fixed assets are adjusted by the translation differences and amortised over the remaining useful life of the related asset.

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

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

xii. **Research and development**

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

xiii. **Borrowing cost**

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalised as part of the cost of such assets, in accordance with 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 statement of profit and loss as incurred.

xiv. **Taxes on income**

Tax expense comprises current income tax and deferred income tax.

NOTES to the Consolidated financial statement for the year ended 31 March 2014

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 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.

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 5 : Share capital

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number	₹ in lacs	Number	₹ in lacs
Authorised				
Equity shares of ₹ 2 each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
Equity shares of ₹ 1,000 each (refer note 44)	20,000	200.00	-	-
Preference shares of ₹ 1,000 each (refer note 44)	2,500	25.00	-	-
		2,225.00		2,000.00
Issued				
Equity shares of ₹ 2 each	6,60,50,220	1,321.00	6,60,50,220	1,321.00
		1,321.00		1,321.00
Subscribed and paid up				
Equity shares of ₹ 2 each fully paid up	6,60,46,395	1,320.93	6,60,46,395	1,320.93
Add : Forfeited shares		0.04		0.04
		1,320.97		1,320.97

(a) Reconciliation of share outstanding at the beginning and at the end of reporting year

Particulars	31 March 2014		31 March 2013	
	Number	(₹ in lacs)	Number	(₹ in lacs)
Equity shares outstanding at the beginning/end of the year	6,60,46,395	1,320.93	6,60,46,395	1,320.93

(b) Terms and rights attached to equity shares

The Parent Company has issued only one class of equity shares having par value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. The Parent Company declares and pays dividend in Indian Rupees. During the year ended 31 March 2014, the amount of per share dividend is recognised as distribution to equity shareholder as ₹ 3 per share (previous year ₹ 3 per share)

The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holder of equity shares will be entitled to receive remaining assets of the Parent Company, after setting off all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) List of shareholders holding more than 5% of the equity share capital of the Parent Company*

	31 March 2014		31 March 2013	
	Number	% of holding	Number	% of holding
Paco Exports Limited	206,64,530	31.29	206,64,530	31.29
Soma Investments Limited	40,00,000	6.06	40,00,000	6.06
New Delhi Industrial Promotors & Investors Limited	36,50,000	5.53	36,50,000	5.53
T. Rowe Price International Discovery Fund	-	-	35,96,728	5.45

* Information is furnished as per shareholder register as at the year end.

- (d) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.
- (e) The above figure of subscribed and paid up capital includes application and allotment money received on forfeited shares amounting to ₹ 0.04 lacs (previous year ₹ 0.04 lacs).

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 6 : Reserves and surplus

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
(a) Capital reserves		
Balance as at beginning/end of the year	120.80	120.80
(b) Capital redemption reserve		
Balance as at beginning/end of the year	15.00	15.00
(c) Securities premium account		
Balance as at beginning/end of the year	21,144.82	21,144.82
(d) Central subsidy reserve*		
Balance as at beginning/end of the year	25.00	25.00
(e) Business reconstruction reserve		
Balance as at beginning/end of the year	32,267.37	32,267.37
(f) General reserve**		
Opening balance	20,903.64	18,903.64
Add: transfer from surplus in the statement of profit and loss	2,000.00	2,000.00
Closing balance	22,903.64	20,903.64
(g) Foreign currency translation reserve		
Opening balance	28.20	23.68
Add: change during the year	(13.01)	4.52
Closing balance	15.19	28.20
(h) Surplus in the statement of profit and loss		
Opening balance	26,803.01	22,917.93
Add: net profit for the year	3,398.10	8,204.89
Less: adjustments on post acquisition profits***	(794.64)	-
Less: adjustments on account of merger (refer note 44)	(71.85)	-
Appropriations :		
Proposed equity dividends including corporate dividend tax of ₹ 336.74 lacs (previous year ₹ 336.74 lacs)	(2,318.13)	(2,318.13)
Profit of a subsidiary company (ceased to be subsidiary w.e.f 25 March 2013)	-	(1.68)
Transfer to general reserve	(2,000.00)	(2,000.00)
Closing balance	25,016.49	26,803.01
Total	1,01,508.31	1,01,307.84

* 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 financial statement. Also, refer note 44.

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 7 : Long-term borrowings

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Secured		
Term loans from banks		
Foreign currency loans	42,311.48	48,813.24
Rupee loans	8,050.34	4,766.78
Total	50,361.82	53,580.02
Unsecured		
Deferred payment liabilities	4,880.27	5,075.54
	4,880.27	5,075.54
Total	55,242.09	58,655.56

Notes:

1. Foreign currency loans (including current maturities) comprises of:

- The External commercial borrowings ('ECB') of USD 17 million from the Hong Kong and Shanghai Banking Corporation Bank Plc, London, United Kingdom, carries an 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. 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.
- 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.
- 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.
- The ECB of USD 8 million from Standard Chartered Bank (Mauritius) Limited carries an interest @ 6 months LIBOR plus 225 bps, is repayable in 32 equal installments of USD 0.25 million commencing from September 2012. These ECB are secured by way of hypothecation of the whole of fixed assets including movable

NOTES to the Consolidated financial statement for the year ended 31 March 2014

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. 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.

- 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's 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 commencing 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) 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 an interest @ 10.70% per annum and is repayable in 48 quarterly installments ranging from ₹ 62.50 lacs to ₹ 125.00 lacs commencing from February 2014. The loan is secured by first pari-passu charge on 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.

NOTES to the Consolidated financial statement for the year ended 31 March 2014

- d) Disclosure of loans taken by Hindware Home Retail Private Limited (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 commencing 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 ₹ 1,500 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 commencing 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 (previous year ₹ 10,088.48 lacs) are included under the head 'Other current liabilities'.

Note 8 : Deferred tax liabilities (net)

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Deferred tax liability arising on account of		
Depreciation and amortisation	15,435.53	13,680.18
Tax impact of other expenses charged in the financial statement but allowable as deductions in future years under income-tax	-	5.52
Total	15,435.53	13,685.70
Deferred tax assets arising on account of		
Provision for doubtful debts and loans and advances	329.03	172.41
Employee benefits	210.84	190.44
Foreign exchange adjustments on external commercial borrowings	3,345.24	1,845.84
Others	10.02	65.46
	3,895.13	2,274.15
Total	11,540.40	11,411.55

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 9 : Other long term liabilities

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Trade deposits from dealers*(refer note 45)	1,342.75	1,168.66
Others		
Earnest money deposits	4.56	23.20
Vehicle loan deposits from employees	120.46	169.30
Security deposits/retention money payable	70.80	40.29
Other liabilities	5.20	5.16
Total	1,543.77	1,406.61

Note 10 : Long-term provision

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits		
Gratuity (refer note 38)	24.62	22.62
Compesated absences (refer note 38)	441.93	421.19
Total	466.55	443.81

Note 11 : Short-term borrowings

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Secured		
Buyer's credit facilities	2,691.99	2,704.61
Cash credit facilities	19,976.81	4,118.16
Short term loans	8,000.00	2,250.00
	30,668.80	9,072.77
Unsecured		
Buyer's credit facilities	294.42	3,392.42
Short term loans	8,700.00	13,700.00
Commercial papers	-	8,500.00
	8,994.42	25,592.42
Total	39,663.22	34,665.19

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Details of security and term of repayment of each type of borrowing:

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 carries an 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 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 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 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 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 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 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 Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.
- g) Cash credit facility from the Hong Kong 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 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 Company situated at Bahadurgarh, Bibinagar, Sanathnagar and Bhongir.
- i) Barwood Products Limited (one of the subsidiary of the Company) obtained overdraft facility from HSBC Bank, Plc, London carries 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 corporate guarantee to secure the same.
- j) Hindware Home Retail Private Limited (one of the subsidiary of the 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 the subsidiary company and also secured against a corporate guarantee provided by HSIL Limited, the holding Company.
- k) Hindware Home Retail Private Limited (one of the subsidiary of the Company) 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

NOTES to the Consolidated financial statement for the year ended 31 March 2014

hypothecation against stocks, goods in transit, receivables and all other current assets of the subsidiary company and also secured against a corporate guarantee provided by HSIL Limited, the holding Company.

- l) Hindware Home Retail Private Limited (one of the subsidiary of the Company) 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 HSIL Limited, the holding Company.

Short term loans :

- a) Short term secured loan from DBS Bank Limited amounting to ₹ 3,500 lacs carries an 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 carries an interest rate of 10.25% per annum repayable by 30 April 2014.

Terms of repayment of each type of unsecured short-term borrowing:

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.

Note 12 : Trade payables

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
- Due to Micro, Small and Medium Enterprises (refer note 36)	8.46	17.92
- Due to others	15,016.03	16,198.78
Total	15,024.49	16,216.70

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 13 : Other current liabilities

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Current maturities of long term borrowings(refer note 7)	18,392.83	10,088.48
Interest accrued but not due on borrowings	635.83	680.88
Investor education and protection fund*		
- Unclaimed dividends	75.26	66.86
- Unclaimed share fraction 2006	-	0.30
Gratuity payable (net of obligation) (refer note 38)	8.79	74.73
Other payables		
Advance from customers	1,383.10	1,597.45
Statutory liabilities	1,261.67	1,177.57
Payable to employees	1,465.47	1,313.83
Creditor for expenses	3,655.26	3,885.77
Commission payable to directors	974.21	1,143.15
Creditor for capital goods	549.00	614.33
Other liabilities**	9,940.22	8,413.22
Total	38,341.64	29,056.57

* Not due for deposit

** Including excise duty payable ₹ 2,923.99 lacs (previous year: ₹ 2,554.03 lacs) on finished goods lying at the Company's bonded warehouses.

Note 14 : Short-term provisions

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Provision for employee benefits		
Gratuity (refer note 38)	0.41	5.23
Compensated absences (refer note 38)	190.78	187.64
	191.19	192.87
Other provisions:		
Provision for income tax (net of advance tax)	255.31	-
Proposed equity dividend	1,981.39	1,981.39
Provision for corporate dividend tax	336.74	336.74
	2,573.44	2,318.13
Total	2,764.63	2,511.00

NOTES

to the Consolidated financial statement for the year ended 31 March 2014

15. (a) Fixed assets

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 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	1,48,190.06
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	1,02,412.96	2,050.90	967.85	2,720.55	3,423.71	1,223.66	1,87,998.14
Additions	1,847.48	10.00	3,690.02	2,325.86	429.80	68.61	166.15	498.17	50.18	9,086.27
Opening balance of transferor company (refer note c below)	215.23	-	264.64	(67.11)	(1.38)	(51.77)	(3.86)	(12.53)	(2.42)	340.80
Other adjustments (borrowing cost and foreign exchange fluctuation) (refer note a and b below)	-	-	601.65	3,948.60	-	-	-	-	-	4,550.25
Deletions/adjustment	-	-	19.48	13.20	300.37	61.25	17.66	95.47	10.20	517.63
Balance as at 31 March 2014	50,581.19	235.00	30,991.86	1,08,607.11	2,178.95	923.44	2,865.18	3,813.88	1,261.22	2,01,457.83
Accumulated depreciation										
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
Opening balance of transferor company (refer note c below)	-	26.82	9.50	(113.18)	0.39	(2.70)	(3.12)	0.51	(29.07)	(110.86)
Additions	-	4.25	792.24	8,361.10	336.11	64.24	316.06	314.08	127.75	10,315.83
Deletions/adjustment	-	-	3.40	12.09	167.84	40.15	16.06	67.56	6.07	313.17
Balance as at 31 March 2014	-	38.02	4,411.97	43,995.09	1,007.78	264.08	2,144.91	898.49	613.05	53,373.38
Net block										
Balance as at 31 March 2014	50,581.19	196.98	26,579.89	64,612.03	1,171.17	659.36	720.27	2,915.39	648.17	1,48,084.45
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	1,44,516.56

a) The borrowing cost capitalised during the year ended 31 March 2014 is ₹ Nil (previous year ₹ 953.17 lacs).

b) The premium and foreign exchange loss amounting to ₹ 4,550.25 lacs (previous year ₹ 4,481.12 lacs) has been capitalised during the year ended 31 March 2014.

c) As further detailed in note number 44, 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).

NOTES to the Consolidated financial statement for the year ended 31 March 2014

15. (b) Fixed assets

Intangible assets				₹ in lacs
Particulars	Trademarks	Technical know how	Goodwill	Total
Gross block				
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
Opening balance of transferor company (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 2012	300.00	39.76	0.23	339.99
Additions	-	21.05	-	21.05
Deletions/adjustment	-	-	-	-
Balance as at 1 April 2013	300.00	60.81	0.23	361.04
Opening balance of transferor company (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

a) As further detailed in note number 44, 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).

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 16 : Non-current investments

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Trade investments (valued at cost unless stated otherwise)		
Equity shares (unquoted)		
804,000 (previous year 804,000) equity shares of ₹ 10 each fully paid-up in Andhra Pradesh Gas Power Corporation Limited	1,073.61	1,073.61
60,000 (previous year 30,000) equity shares of ₹ 10 each fully paid-up in India Plumbing Skill Council	6.00	3.00
	1,079.61	1,076.61
Non-trade investments (valued at cost unless stated otherwise)		
Government securities (unquoted)		
National Savings Certificates*	2.11	2.11
Equity instruments (quoted)		
Other investments		
125 (previous year 125) equity shares of ₹ 10 each fully paid in Neycer India Limited	0.01	0.01
50 (previous year 50) equity shares of ₹ 10 each fully paid in Swastik Sanitarywares Limited	0.01	0.01
	2.13	2.13
	1,081.74	1,078.74
Aggregate amount of quoted investments (market value ₹ 0.02 lacs (previous year: ₹ 0.02 lacs))	0.02	0.02
Aggregate amount of unquoted investment	1,081.72	1,078.72
*Deposited with government authority	2.11	2.11

Note 17 : Long-term loans and advances

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Considered good		
Capital advances - secured	3,158.15	3,346.84
Security deposits - unsecured	1,706.62	1,606.84
Other loans and advances - unsecured		
Prepaid expenses	28.51	85.96
Others	580.03	296.00
Total	5,473.31	5,335.64

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 18 : Other non-current assets

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Fixed deposits with original maturity of more than twelve months**	190.72	130.98
Interest accrued but not due on deposits	5.04	46.70
Others	-	8.24
Total	195.76	185.92

** Includes margin money deposits amounting to ₹190.72 lacs (previous year: ₹ 130.98 lacs) pledged against various bank guarantees/letter of credit issued by banks on behalf of the Group.

Note 19 : Current investments

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Mutual funds (Non trade, Unquoted)		
(Valued at lower of cost or net realisable value)		
2,424.420 (previous year 2,483.570) units of ₹ 10 each fully paid in HDFC Prudence fund-growth	4.15	4.26
Total	4.15	4.26
Aggregate amount of unquoted investments	4.15	4.26

Note 20 : Inventories

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
(As taken, valued and certified by the management)		
Raw materials and components	3,051.00	3,378.01
Work-in-progress	1,510.68	1,314.41
Finished goods (including traded goods)	36,009.51	31,505.49
Stores and spares	2,446.22	2,491.26
Add: Goods in transit	69.80	2,915.20
Loose tools	10.07	14.47
Packing material	854.43	769.61
Oils, fuels, lubricants and others	481.46	770.70
Total	44,433.17	40,667.89

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 21 : Trade receivables

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
(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
- Unsecured	556.80	390.30
Considered doubtful	948.24	490.52
	1,552.70	908.40
Less: Provision for doubtful debts	948.24	490.52
	604.46	417.88
Other debts		
- Considered good	40,811.42	38,053.96
- Considered good - secured	500.59	460.89
	41,312.01	38,514.85
Total	41,916.47	38,932.73

Note 22 : Cash and bank balances

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Cash and cash equivalents		
Balance with banks in current accounts	939.29	483.02
Fixed deposits with original maturity of less than 3 months	3,100.00	5,450.00
Cheques in hand	766.03	844.37
Cash in hand	159.65	167.24
Remittance in transit	525.29	710.84
	5,490.26	7,655.47
Earmarked balances with banks		
Unclaimed dividend accounts	75.26	66.86
Unclaimed share fraction account	-	0.30
Other bank balances		
Held as margin money in fixed deposits	453.05	471.96
Fixed deposits with original maturity of more than 3 months but less than twelve months	10.71	2.07
Total	6,029.28	8,196.66

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 23 : Short-term loans and advances

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	644.77	582.45
Advances to suppliers	1,329.16	775.90
Balances with excise, sales tax and other authorities	1,473.51	1,772.71
MAT credit entitlement	757.92	2,471.46
Advance income tax (net of provisions of ₹ Nil (previous year ₹ 12563.60 lacs))	-	180.32
	4,205.36	5,782.84
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	51.97	119.30
Less : Provision for doubtful loans and advances	51.97	119.30
	-	-
Total	4,205.36	5,782.84

Note 24 : Other current assets

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Interest accrued but not due on deposits	194.41	134.15
Total	194.41	134.15

Note 25 : Income from operations

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Sales of products		
Finished goods	1,96,677.14	1,87,761.07
Other operating income		
Export incentives	333.89	81.65
Sundry balances and liabilities no longer required written back	267.34	509.83
Gain on foreign exchange fluctuations	295.03	395.95
Maintenance service income	39.39	66.59
Insurance claims received	507.15	421.40
Scrap sales	358.10	403.82
Miscellaneous income	1,230.41	580.16
Total	1,99,708.45	1,90,220.47

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 26 : Other income

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Rent received	42.24	37.66
Dividend on investments	-	0.60
Interest received from		
Loans to bodies corporate	0.96	2.82
Deposits with banks	188.40	84.44
Margin money with banks	9.11	53.81
Other accounts	3.70	57.57
Gain on disposal of fixed assets	19.33	97.48
Sundry balances and liabilities no longer required, written back	5.00	26.00
Gain on sale of current investments	25.76	14.26
Miscellaneous income	86.70	8.75
Total	381.20	383.39

Note 27 : Cost of raw materials consumed

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Detail of raw materials and components consumed		
Clay	1,362.52	1,498.25
Soda ash	9,914.75	12,681.26
Cullets	6,872.15	5,183.21
Quartz/feldspar	1,743.34	1,748.31
Others	13,829.90	13,159.61
	33,722.66	34,270.64
Closing stock of raw material and components		
Clay	128.76	135.62
Soda ash	197.48	1,012.79
Cullets	685.85	702.41
Quartz/feldspar	54.24	97.77
Others	1,984.67	1,429.42
Total	3,051.00	3,378.01

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 28 : Purchases of traded goods

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Furniture and home furnishings	5,522.05	5,920.53
Sanitaryware and others allied products	29,818.27	22,702.87
Total	35,340.32	28,623.40

Note 29 : Change in stock of finished goods and work in progress

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Opening stock		
Work in progress	1,314.41	1,216.84
Finished goods	31,505.49	20,339.49
	32,819.90	21,556.33
Less: Closing stock		
Work in progress	1,510.68	1,314.41
Finished goods	36,009.51	31,505.49
	37,520.19	32,819.90
Change in stocks	4,700.29	11,263.57
Excise duty on opening stock	2,579.43	1,354.40
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
Change in excise duty on finished goods	389.62	2,647.88
Total	4,310.67	8,615.69

Note 30 : Employee benefits expense

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Salaries, wages and bonus	17,154.45	16,693.57
Contribution to provident and other funds	905.03	792.04
Staff welfare expenses	784.34	736.65
Total	18,843.82	18,222.26

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 31 : Other expenses

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Power and fuel	37,701.70	40,367.26
Stores and spares consumed	3,809.86	3,909.00
Packing material consumed	8,790.09	8,424.21
Loose tools consumed	58.13	73.55
Oil, fuel and lubricant consumed	321.74	387.64
Repairs and maintenance:		
Buildings	268.81	311.78
Plant and machinery	924.55	940.45
Other assets	372.44	317.54
Rent (including hire charges)	2,347.07	2,208.49
Rates and taxes	478.84	564.45
Directors sitting fees	2.48	1.15
Expenditure on ceramic and applied research centre	68.85	57.28
Insurance	519.43	429.49
Travelling and conveyance	1,931.21	1,987.75
Discounts	3,868.81	3,577.99
Commission on sales	892.62	693.98
Freight and forwarding charges - exports	676.56	1,055.84
Advertisement and publicity	2,090.46	2,302.32
Other selling and distribution expenses	7,169.40	6,648.76
Provision for doubtful debts and advances	466.27	159.26
Bad debts written off	8.41	36.95
Charity and donation	5.54	62.18
Loss on foreign exchange fluctuation	1,146.27	586.41
Loss on sale of fixed assets	29.05	4.28
Installation expenses	548.81	374.37
Miscellaneous expenses	2,396.02	2,274.65
Total	76,893.42	77,757.03

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 32 : Finance cost

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Interest on:		
- Fixed period loans	3,701.25	3,884.70
- Others	3,234.78	2,985.72
Other borrowing costs	241.87	68.65
Total	7,177.90	6,939.07

Note 33 : Earning per share

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
a) Computation of profit		
Profit attributable to equity shareholders	3,398.10	8,204.89
b) Computation of weighted average number of shares for		
Basic and diluted earnings per share (refer note 5)	6,60,46,395	6,60,46,395
c) Nominal value per share (₹)	2	2
Earnings per share – basic and diluted (₹)	5.14	12.42

Note 34 : Contingent liabilities

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
1) 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
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
d) Demands made by the service tax authorities against which appeals have been filed	77.77	91.71
e) Bank guarantees outstanding	3,166.86	2,610.03
f) Claims not acknowledged as debts	2,043.44	2,139.62
g) Duty availed on imports against Export Promotion Capital Goods licenses	2,818.42	2,982.85
2) Unfulfilled export obligation under Export Promotion Capital Goods license of Export Import Policy	22,547.37	23,862.82

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 35 : Capital and other commitments

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
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

Note 36 : Dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Principal amount remaining unpaid	8.46	17.92
Interest accrued and remaining unpaid as at year end	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2014 has been made in the financials statements based on information received and available with the Company. Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.

Note 37 : Payment to auditors for:

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
a) Statutory audit fee	15.00	15.00
b) Tax audit fee	2.50	2.50
c) Other services (including limited review)	10.00	10.00
d) Reimbursement of expenses	6.04	5.55
e) Service tax	4.15	4.09
Total	37.69	37.14

Note 38 : Employee benefits

During the year the Group has recognised the following amounts in the statement of profit and loss.

a) Provident and other fund*:

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Employer's contribution to provident fund**	568.56	482.12
Employer's contribution to Employee's State Insurance	137.05	129.93

* Included in contribution to provident and other funds (refer note 30)

** 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 Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. However, as at the year-end the Company is having no interest shortfall, which is unprovided.

NOTES to the Consolidated financial statement for the year ended 31 March 2014

b) Defined benefit plan - gratuity (funded)

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Amount recognised in balance sheet		
Present value of obligation	1,385.25	1,369.93
Fair value of plan assets	1,347.43	1,267.36
Net liability recognised in the balance sheet (refer note 13)	37.82	102.57
Amounts recognised in the statement of profit and loss :		
Current service cost	139.28	133.97
Interest cost	109.07	93.84
Expected return on plan assets	(110.84)	(90.67)
Actuarial loss	5.56	13.18
Total included in employee benefits expenses*	143.07	150.32
*refer note 30		
Return on plan assets:		
Expected return on plan assets	110.84	90.67
Actuarial loss	0.73	36.45
Actual return on plan assets	111.57	127.12
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
Acquisition adjustments*	15.75	-
Interest cost	109.07	93.84
Current service cost	139.28	133.97
Benefits paid	(239.31)	(142.87)
Actuarial loss	6.28	41.90
Defined benefit obligation at the end of the year	1,385.25	1,369.93
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
Acquisition adjustments*	12.25	-
Expected return on plan assets	110.84	90.67
Employer's contributions	201.85	149.80
Benefits paid	(233.35)	(142.86)
Actuarial loss	0.73	36.45
Fair value of plan assets at the end of the year	1,347.43	1,267.36

* transfer of balances (as per actuarial valuation report) on account of merger of Garden Polymer Private Limited ('transferor company') with HSIL Limited ('transferee company').

Particulars	Year ended	
	31 March 2014	31 March 2013
Assumptions used to determine the defined benefit obligations:		
Discount rate	8.0% - 8.5%	8.0% - 8.5%
Expected rate of increase in compensation levels	5.0% - 6.0%	5.0% - 6.0%
Expected rate of return on plan assets	8.0% - 8.7%	8.0% - 8.7%
Expected average remaining working life of employees	17 - 28.53 years	17 - 28.53 years

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Amounts for the current and previous periods are as follows:	2013-14	2012-13	2011-12	2010-11	₹ in lacs 2009-10
Defined benefit plan – Gratuity					
Defined benefit obligation	(1,385.25)	(1,369.93)	(1,243.09)	(1,108.14)	(1,014.96)
Plan assets	1,347.43	1,267.36	1,133.30	1,114.44	1,072.59
(Deficit)/surplus	(37.82)	(102.57)	(109.79)	6.30	57.63

The Parent Company made annual contribution to the Birla Sun Life Insurance Company Limited ('BSL') of an amount advised by the BSL. The Company was not informed by BSL of the investment made or the break down of plan assets by investment type, accordingly related disclosures are not included in these financial statements.

c) Defined benefit plan - compensated absences (unfunded)

Particulars	Year ended 31 March 2014 Compensated absences	₹ in lacs Year ended 31 March 2013 Compensated absences
Amounts recognised in balance sheet		
Long-term (refer note 10)	441.93	421.19
Short-term (refer note 14)	190.78	187.64
Amounts recognised in the statement of profit and loss		
Current service cost	86.47	92.56
Interest cost	47.90	36.88
Actuarial loss	122.16	179.88
Total included in employee benefits expense*	256.53	309.32
*refer note 30		
Reconciliation of opening and closing balances of benefit obligations		
Change in benefit obligation		
Defined benefit obligation at the beginning of the year	598.66	468.51
Acquisition adjustments	10.17	-
Interest cost	47.90	36.88
Current service cost	86.47	92.56
Benefits paid	(222.48)	(169.00)
Actuarial loss	122.16	179.88
Defined benefit obligation at the end of the year	642.88	608.83
Assumptions used to determine the defined benefit obligation		
Discounting rate	8.00%	8.00%
Expected rate of increase in compensation levels	5.5% - 6.0%	5.5% - 6.0%
Expected average remaining working life of employees	21 - 28.55 years	21 - 28.55 years

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 39 : Un-hedged position

The foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below as on each balance sheet date:

Particulars	₹ in lacs	
	As at 31 March 2014	As at 31 March 2013
Trade receivables		
Exports outstanding	627.17	716.84
Trade payables		
Payable on imports	812.00	1,321.70
Short-term borrowings		
Buyer's credit facility	2,986.41	6,097.03
Long-term borrowings		
Term loans	32,839.49	32,412.69

Details of derivative instruments outstanding as on 31 March 2014

Particulars of hedged derivatives	in lacs		Purpose
	As at 31 March 2014	As at 31 March 2013	
Sell (in US\$)	-	60.00	Hedge of future receipts towards external commercial borrowings
Buy (in US\$)	410.89	455.66	Hedge of future payments towards external commercial borrowings.

Note 40 : Capital work in progress includes expenditure during construction period

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Balance brought forward from previous year	-	3,721.89
Add:		
Raw material consumed	-	1,063.61
Packing material consumed	-	241.47
Stores and spares consumed	-	272.31
Power and fuel	-	1,519.57
Traveling and conveyance	-	10.05
Rent and hiring charges	-	9.80
Salary, wages and bonus	-	152.26
Interest paid	-	246.94
Foreign exchange fluctuation loss	-	25.81
Miscellaneous expenses	-	31.48
Total (A)	-	7,295.19

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 40 : Capital work in progress includes expenditure during construction period

Particulars	₹ in lacs	
	Year ended 31 March 2014	Year ended 31 March 2013
Less :		
Sales	-	2253.09
Increase in stocks including excise duty	-	574.08
Interest received	-	17.88
Total (B)	-	2,845.05
Total (A-B)	-	4,450.14
Allocated to fixed assets		4,450.14

Note 41 : Segment Reporting

Identification of segment:

The Group's operating business are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The group has accordingly identified two primary business segments i.e. building products and packaging products.

The activities of the group are primarily limited within Indian territories having no variation in risk and returns. Consequently, information in respect of geographical segment is not given.

Unallocated items:

The corporate and other segment includes general corporate income and expense items, which are not allocated to any business segment.

Information about primary business segments is given as follows:

(Figures in parenthesis are for the previous year)

Particulars	Building products Division	Packaging Product Division	Others	₹ in lacs
				Year ended 31 March 2014
Segment revenue				
External sales (net)	86,334.61 (73,106.50)	85,191.38 (81,755.56)	11,263.38 (18,806.03)	1,82,789.37 (1,73,668.09)
Other Income	1,767.01 (1,548.71)	1,197.61 (802.55)	66.69 (108.14)	3,031.31 (2,459.40)
Segment results	18,280.03 (13,578.97)	991.06 (7,132.10)	(1,786.01) (-804.92)	17,485.08 (19,906.15)
Exceptional items				- (2,366.30)
Unallocated corporate expenses (net)				2,784.57 (2,974.16)
Interest				7,177.90 (6,939.07)
Income tax (including deferred tax)				4,124.51 (4,154.33)
Profit after tax				3,398.10 (8,204.89)
Other information				

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Particulars	Building products Division	Packaging Product Division	Others	₹ in lacs
				Year ended 31 March 2014
Segment assets	1,02,900.10	1,48,622.29	(2,255.02)	2,49,267.37
	(87,228.83)	(1,38,845.54)	(3,185.52)	(2,29,259.89)
Unallocated corporate assets				18,148.70
				(27,735.91)
Total assets				2,67,416.07
				(2,56,995.80)
Segment liabilities	40,022.00	1,08,604.40	6,255.96	1,54,882.36
	(36,514.78)	(1,01,988.11)	(8,602.57)	(1,47,105.46)
Unallocated corporate liabilities				9,704.43
				(7,262.29)
Total liability				1,64,586.79
				(1,54,367.75)
Capital expenditure	5,249.27	7,501.44	891.36	13,642.07
	(3,503.78)	(37,147.84)	(959.02)	(41,610.64)
Depreciation and amortisation	1,421.73	8,793.71	796.38	11,011.82
	(1,415.51)	(6,716.87)	(1,188.87)	(9,321.25)
Other non-cash expenses				
Provision for doubtful debts and advances				466.27
				(159.26)

Note 42 : In accordance with the notified Accounting Standard (AS-18) on related party disclosures where control exist and where transactions have taken place and description of the relationship as identified and certified by the management are as follows:

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 Promoters and Investors Limited
	Soma Investments Limited
	Jugmug Projects Limited

NOTES to the Consolidated financial statement for the year ended 31 March 2014

b) Summary of related party transactions-

(in lacs)

Particulars	Key management personnel and their relatives		Entities where significant influence is exercised by KMP and/or their relatives having transactions with the company	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
A Transactions during the year				
a) Rent paid				
Rajendra K Somany	4.80	4.80	-	-
Textool Mercantile Private Limited	-	-	0.73	0.50
Paco Export Limited	-	-	18.48	17.78
b) Rent income				
Soma Investments Limited	-	-	0.01	0.01
New Delhi Industrial Promoters & 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	-	-
Sandip Somany	573.49	636.41	-	-
Sumita Somany	40.39	30.80	-	-
B Balance outstanding at the year end				
Remuneration payable				
Rajendra K Somany	390.76	493.74	-	-
Sandip Somany	437.75	519.53	-	-

Note 43 : Leases

- a) Lease payments under cancelable operating leases amounting to ₹ 2,347.07 lacs (previous year ₹ 2,208.49 lacs) for the year, has been charged to the profit and loss account.

Note 44 : Scheme of Amalgamation

- a) The Board of Directors of the Company on 25 September 2012 approved the Scheme of Amalgamation (the 'Scheme') between Garden Polymer Private Limited ('transferor Company') and HSIL Limited ('transferee Company'). The Scheme has been approved by the Hon'ble High Court of Calcutta on 13 March 2014 and made effective upon filing of the approved scheme with the Registrar of Companies, West Bengal with an appointed date of 1 April 2012.
- 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.

NOTES to the Consolidated financial statement for the year ended 31 March 2014

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 identifiable assets and liabilities of the Transferor Company at their respective fair values.
- in case of any differences arising in accounting policies between the Transferor Company and Transferee Company, the impact of the same has been adjusted in the Statement of Profit and Loss of the Transferee Company.
- the difference between the investment made by the Transferee Company in the Transferor Company and the net assets acquired of the Transferor Company has been shown under Goodwill.

e) The financial impact of the above amalgamation is as follows:

Particulars		(₹ in lacs)
		Amount
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:

Particulars		(₹ in lacs)
		Amount
Profit of transferor company from appointed date to 31 March 2013		415.42
Tax adjustments		77.24
Other adjustments		(564.51)
Total		(71.85)

NOTES to the Consolidated financial statement for the year ended 31 March 2014

Note 45 : In view of long term business relations, trade deposits from dealers are considered as long term liabilities.

Note 46 : Exceptional items

During the previous year 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 w.e.f. 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 financial statements.

Note 47

Previous year figures have been regrouped/recast wherever considered necessary to make them comparable with those of the current year.

For and on behalf of the Board of Directors

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

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Per Atul Seksaria
Partner
Place : Gurgaon
Date : 29 May 2014

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

NOTES

to the Consolidated financial statement for the year ended 31 March 2014

i) Statement regarding subsidiary companies pursuant to section 212(3) of the Companies Act, 1956

		(₹ in lacs)					
1	Name of subsidiaries	HSIL Associates Ltd.	Hindware Home Retail Pvt. Ltd.	Halis International Ltd.	Alchemy International Cooperatief U.A.	Haas International B.V.	Barwood Products Ltd.
	Relation	(Subsidiary of HSIL Ltd.)	(Subsidiary of HSIL Ltd.)	(Subsidiary of HSIL Ltd.)	(Subsidiary of Halis International Ltd.)	(Subsidiary of Alchemy International Cooperatief U.A.)	(Subsidiary of Haas International B.V.)
2	Financial Year	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14
3	Holding Company's interest	100%	100%	100%	100%	100%	100%
4	Shares held by holding Company in the subsidiary (Number) including pref. shares	50,000	2,82,90,000	31,77,000	180*	-	-
5	Net aggregate of profits/(loss) for the current financial year of the subsidiary so far as it concerns the members of the holding Company						
	(a) Dealt with or provided for in the accounts of the holding Company	-	-	-	-	-	-
	(b) Not dealt with or provided for in the accounts of the holding Company	(0.15)	(2024.34)	(7.27)	(5.93)	(5.45)	(178.73)
6	The Net aggregate of profits/(loss) for the previous financial year of the subsidiary so far as it concerns the members of the holding Company						
	(a) Dealt with or provided for in the accounts of the holding Company	-	-	-	-	-	-
	(b) Not dealt with or provided for in the accounts of the holding Company	(0.21)	(1869.55)	(5.84)	(7.20)	(22.28)	(189.24)

* This Denotes members contribution in Euro

NOTES

to the Consolidated financial statement for the year ended 31 March 2014

ii) Statement of financials of subsidiaries (including subsidiary of subsidiaries)

1	Name of subsidiaries	HSIL Associates Ltd.	Hindware Home Retail Pvt. Ltd.	Halis International Ltd.	Alchemy International Cooperatief U.A.	Haas International B.V.	Barwood Products Ltd.
(a)	Capital	5.00	8,490.00	1,597.03	1,559.15	10.88	624.68
(b)	Reserves	(0.85)	(6,378.69)	(30.91)	(31.25)	1,540.21	(442.04)
(c)	Total Assets	4.21	7,730.94	1,567.02	1,530.10	1,554.25	812.65
(d)	Total Liabilities	4.21	7,730.94	1,567.02	1,530.10	1,554.25	812.65
(e)	Details of investments (except in case of investment in the subsidiaries)	4.15	-	-	-	-	-
(f)	Income from operations(net)	-	9,361.09	-	-	-	2,000.15
(g)	Profit/(loss) before taxation	(0.15)	(2,024.34)	(7.27)	(5.93)	(5.45)	(186.06)
(h)	Provision for taxation	-	-	-	-	-	(7.33)
(i)	Profit/(loss) after taxation	(0.15)	(2,024.34)	(7.27)	(5.93)	(5.45)	(178.73)
(j)	Proposed dividend	-	-	-	-	-	-

Sandip Somany
Joint Managing Director

Rajendra K Somany
Chairman and Managing Director

Payal M. Puri
Company Secretary

V. K. Ajmera
Chief Financial Officer

Place : Gurgaon
Date : 29 May 2014

NOTICE

Notice is hereby given that the 54th Annual General Meeting of HSIL Limited will be held at Somany Conference Hall of MCC Chamber of Commerce and Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Saturday, the 27 September 2014 at 11:00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31 March 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To declare Dividend on Equity Shares for the year ended 31 March 2014.
3. To appoint a Director in place of Mr. G. L. Sultania (holding DIN 00060931) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s. Walker Chandiok & Co LLP (formerly Walker Chandiok & Co.) Chartered Accountants (ICAI Registration No. 001076N) as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

5. Appointment of Mrs. Sumita Somany as Director

"RESOLVED THAT Mrs. Sumita Somany (holding DIN 00133612), who was appointed as an Additional Director of the Company by the Board of the Company w.e.f. 29 May 2014 and who holds office upto this Annual General Meeting under Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation in terms of Section 152 of the Act and any other applicable provisions, if any."

6. Appointment of Mr. Nand Gopal Khaitan as Independent Director

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nand Gopal Khaitan (holding DIN 00020588) Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, and in respect of

whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Nand Gopal Khaitan as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 27 September 2014, not liable to retire by rotation."

7. Appointment of Mr. Vijay Kumar Bhandari as Independent Director

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vijay Kumar Bhandari (holding DIN 00052716) Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Vijay Kumar Bhandari as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 27 September 2014, not liable to retire by rotation."

8. Appointment of Mr. Ashok Jaipuria as Independent Director

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ashok Jaipuria (holding DIN 00214707) Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ashok Jaipuria as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 27 September 2014, not liable to retire by rotation."

9. Appointment of Mr. Salil Bhandari as Independent Director

"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for

the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Salil Bhandari (holding DIN 00017566) Director of the Company, whose period of office is liable to determination by retirement of directors by rotation, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Salil Bhandari as a candidate for the office of a director of the Company, be and is hereby appointed as an Independent Director of the Company for a term upto five consecutive years commencing from 27 September 2014, not liable to retire by rotation."

10. Re-appointment of Mr. Rajendra K Somany as Chairman and Managing Director

"RESOLVED THAT pursuant to Section 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subject to such other approvals and/or sanctions as may be necessary, consent and/or approval of the Company be and is hereby accorded to the re-appointment of Mr. Rajendra K Somany (Mr. Somany) (holding DIN 00053557) as Chairman and Managing Director of the Company for three year-term, commencing from 9 January 2015 till 8 January 2018, whose office is liable to retire by rotation, on terms and conditions including remuneration by way of salary, commission, perquisites and/or allowances as recommended by the Nomination and Remuneration Committee, contained in the Agreement to be entered into between the Company and Mr. Somany, which Agreement is hereby specifically approved and sanctioned with liberty to the Board of Directors to alter, vary and modify the terms, conditions and stipulations of the said re-appointment provided, however, that the remuneration payable to Mr. Somany, shall not exceed the maximum limits for payment of managerial remuneration specified in Schedule V to the said Act or any amendment thereto as may be made from time to time or the laws or guidelines as may for the time being be in force.

RESOLVED FURTHER THAT where in any financial year, during his term of office, the Company makes no profits or its profits are inadequate, the Company may pay Mr. Somany minimum remuneration by way of salary, perquisites and/or allowance subject to the maximum ceiling calculated in accordance with the scale laid down in Section II of Part II of Schedule V to the Companies Act, 2013, and in compliance with the provisions stipulated therein as applicable to the Company at the relevant time depending upon the capital of the Company and as may be agreed to by the Board of Directors of the Company and acceptable to Mr. Somany.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do and perform all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."

11. Authorization to enter into Consultancy Contract with M/s G. L. Sultania & Co., Proprietor Mr. Girdhari Lal Sultania, Non Executive Director

"RESOLVED THAT consent of the Members of the Company be and is hereby accorded to Mr. Girdhari Lal Sultania (holding DIN 00060931), Non-Executive Director of the Company, who possesses the requisite qualifications to provide professional services as Advisor / Consultant to the Company for a period of 3 years w.e.f. 1 April 2014 on payment of remuneration of Rs. 12,50,000/- per annum plus service tax as applicable, expenses on travelling, conveyance, lodging and boarding, reimbursement of incidental and out of pocket expenses, towards professional services rendered/to be rendered.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to enter into Consultancy Contract with M/s G. L. Sultania & Co., Proprietor Mr. Girdhari Lal Sultania, for a period of 3 years as aforesaid, on such terms as the Board of Directors may deem fit and to do all things and to take all incidental and necessary steps that may arise in the course of implementing this Resolution."

By order of the Board
For HSIL Limited

Place : Gurgaon
Date : 11 August 2014

(Payal M. Puri)
Company Secretary

NOTES:

1. The statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the special business under item nos. 5, 6, 7, 8, 9, 10 and 11 as set out above is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS / HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A proxy should be sent in the form enclosed and in order to be effective must reach the registered office of the Company at least FORTY EIGHT HOURS before the scheduled time of the meeting. Proxies submitted on behalf of companies, societies etc. must be supported by appropriate resolution / authority as applicable.
3. A person can act as proxy on behalf of members not exceeding Fifty in number and holding in the

aggregate not more than 10% of the total share capital of the company carrying voting rights. However, a member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

4. A copy of the Balance Sheet as at 31 March 2014 and the Statement of Profit and Loss for the year ended on that date together with the Auditors' and Directors' Reports thereon are enclosed. Members and Proxy-holders are requested to bring their copies of Annual Report to the meeting.
5. Members are requested to write to the Company their query(ies), if any, on the accounts and operations of the Company at least 10 days before the meeting to keep the information ready at the meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 20 September 2014 to 27 September 2014 (both days inclusive). Dividend on Equity Shares, if declared at the meeting, will be paid to those shareholders whose names appear on the Company's Register of Members on 20 September 2014 and in respect of shares held in the dematerialised form, dividend will be paid to the beneficial owners as per details furnished by the Depositories for this purpose as on close of business hours of 19 September 2014. The dividend, if declared, shall be paid by 29 September 2014.
7. Members who hold shares in dematerialised form are requested to bring their Depository ID Number and Client ID Number for easy identification of attendance at the meeting.
8. In terms of the provisions of Section 205A of the Companies Act, 1956, the unclaimed Dividends upto and including for the financial year 1994-95 have been transferred to the General Revenue Account of the Central Government. Members who have so far not claimed or collected their dividend for the said financial year(s), may claim the same by submitting an application in the prescribed Form II to the Registrar of Companies, West Bengal, 'Nizam Palace', 234/4, A.J.C. Bose Road, Kolkata – 700 020.

In accordance with the provisions of Section 205C of the Companies Act, 1956, the Company has transferred unpaid / unclaimed amount of Refunds against Rights Cum Public Issue of the Company in the year 1993 and dividend for the financial years ended 31 March 1996 to 31 March 2006 and interim dividend for the financial year ended 31 March 2007 to Investor Education and Protection Fund (IEPF). Similarly, unpaid / unclaimed amount of Preference Shares redeemed on 31 March 1998 and unclaimed dividend thereon for the year

ended 31 March 1998, Bonus fraction amount and Stock Split fraction amount have also been transferred to the IEPF. Members are informed that in accordance with the provisions of Section 205C of the Companies Act, 1956, no claim shall lie with respect to unclaimed dividend after it is transferred to IEPF. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, unclaimed / unencashed interim dividend amount for the financial year 2006-07 is due for transfer on 28 September 2014 to IEPF. Members who have not encashed so far their dividend warrants in respect of aforesaid and thereafter are requested to write to the Company at its Registered Office address immediately.

9. Members holding shares in physical form and desirous of making a nomination or cancellation/ variation in nomination already made in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form SH.13 for nomination and Form SH.14 for cancellation/ variation as the case may be. Shareholders holding shares in demat form are also advised to avail nomination facility by submitting the prescribed form to their concerned Depository Participants (DPs).
10. Member(s) of the Company who have multiple folios in identical name(s) are requested to apply for consolidation of such folio(s) and send the relevant Share Certificates to the Company's Registrar & Transfer Agent viz. M/s. Maheshwari Datamatics Private Limited, 6, Mangoe Lane, Kolkata –700 001, for necessary endorsement thereon.
11. Dividend, if declared, at the Annual General Meeting will be credited to the Bank account of respective Shareholders through National Electronic Clearing Service (NECS) / Electronic Clearing Service (ECS) where such facility is available. Members holding shares in electronic mode are therefore requested to furnish their Bank particulars in which they wish to receive dividend, through their Depository Participants (DPs). Members holding shares in physical form and desirous of availing the NECS / ECS facility, are requested to update their Bank particulars by sending it to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Private Limited, directly for faster credit of dividend and other cash entitlements.
12. Furnishing a copy of PAN Card has been made mandatory by SEBI in all the cases of transfer of shares in physical form.
13. A general exemption was granted under Section 212(8) of the Companies Act, 1956 by the Ministry of Corporate Affairs (MCA), Government of India vide

circular No.2/2011/51/12/2007-CL-III dated 8 February 2011, from attaching the copy of Balance Sheet, Statement of Profit and Loss, reports of the Board of Directors and Auditors thereon of the subsidiaries (including step down subsidiaries) of the Company with the Balance Sheet of the Company. However, these documents will be made available upon receipt of request from a Member of the Company and shall be available at the Registered Office of the Company as well as its subsidiary Companies for inspection by the Members.

14. In accordance with section 20 of the Companies Act, 2013, service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended 31 March 2014 has been sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Such Annual Reports are also available on the Company's Website www.hindwarehomes.com

In order to enable the Company to continue to send the documents in the electronic form, the members are requested to register their e-mail ID with us and those holding shares in electronic mode are requested to register / update their e-mail ID with their Depository Participant (DP), with whom they are maintaining their demat account.

15. As required under Clause 49 of the Listing Agreement, the relevant information in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting is provided herein below and forms a part of this Notice.
16. Please send all correspondence including requests for transfer / transmission of shares, change of address etc. to Registrar & Transfer Agent of the Company.
17. The Company has designated an exclusive email Id i.e. hsilinvestors@hindware.co.in for redressal of shareholders' complaints / grievances. If you have any query, please write to us at hsilinvestors@hindware.co.in

18. Voting through electronic means:

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (e-voting) in respect of the resolutions contained in this notice.
- The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of Central Depository Services (India)

Limited ("CDSL") as the Authorised Agency to provide e-voting facilities.

- The Board of Directors have appointed Mr. Pravin Kumar Drolia, Company Secretary in practice as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.
- Members are requested to carefully read the instructions for e-voting before casting their vote.
- The e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting :

Commencement of e-voting	From 09.00 a.m. (IST) on 22 September 2014
End of e-voting	Upto 06.00 p.m. (IST) on 23 September 2014

- The cut-off date (i.e. the record date) for the purpose of e-voting is 22 August 2014.

The procedure and instructions for e-voting are as under:

- Shareholders should log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now, select the "HSIL Limited" from the drop down menu and click on "SUBMIT".
- Now Enter your User ID.
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - For Physical Form: Member should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.

- (h) After entering these details appropriately, click on "SUBMIT" tab.
- (i) Members holding shares in physical form will then directly reach the Company selection screen. However, members

holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (k) Click on the EVSN for the relevant "HSIL Limited" on which you choose to vote.
- (l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (q) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (r) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (t) The voting rights of shareholders shall be in proportion to their share in the paid up equity share capital of the Company.
- (u) In case of members receiving the physical copy they are advised to follow all the steps from serial no. (a) to (p)

STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Mrs. Sumita Somany, who has been appointed by the Board of Directors as an Additional Director of the Company with effect from 29 May 2014, holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and a notice along with a deposit of ₹ 1,00,000/- has been received from a member as required under Section 160 of the Companies Act, 2013, signifying his intention to propose Mrs. Sumita Somany as a candidate for the office of Director, liable to retire by rotation.

Mrs. Sumita Somany aged about 48 years, is a commerce graduate. The resolution as set out under item no. 5 of the accompanying notice is recommended by the Board for approval of the members.

Other information of Mrs. Sumita Somany, pursuant to the requirement of the Listing Agreement with the Stock Exchanges, relating to Corporate Governance, are given herein below.

No director, key managerial personnel or their relatives, except Mrs. Sumita Somany, to whom the resolution relates and Mr. Sandip Somany being relative, are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

ITEM NO. 6

Mr. Nand Gopal Khaitan is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in June 1996. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Nand Gopal Khaitan, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Khaitan for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Khaitan (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Khaitan as an Independent Director of the Company for a term upto five consecutive years commencing from 27 September 2014, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. His office is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Khaitan, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Khaitan as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Khaitan as an Independent Director.

No director, key managerial personnel or their relatives, except Mr. Khaitan, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 6 for the approval of the members.

ITEM NO. 7

Mr. Vijay Kumar Bhandari is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in January 2004. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Vijay Kumar Bhandari, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Vijay Kumar Bhandari for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Vijay Kumar Bhandari (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Vijay Kumar Bhandari as an Independent Director of the Company for a term upto five consecutive years commencing from 27 September 2014, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. His office is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Vijay Kumar Bhandari, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Vijay Kumar Bhandari as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Vijay Kumar Bhandari as an Independent Director.

No director, key managerial personnel or their relatives, except Mr. Vijay Kumar Bhandari, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 7 for the approval of the members.

ITEM NO. 8

Mr. Ashok Jaipuria is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in May 2004. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ashok Jaipuria, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Ashok Jaipuria for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Ashok Jaipuria (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Ashok Jaipuria as an Independent Director of the Company for a term upto five consecutive years commencing from 27 September 2014, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. His office is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Ashok Jaipuria, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Ashok Jaipuria as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Ashok Jaipuria as an Independent Director.

No director, key managerial personnel or their relatives, except Mr. Ashok Jaipuria, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 8 for the approval of the members.

ITEM NO. 9

Mr. Salil Bhandari is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in May 2012. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Salil Bhandari, is proposed to be appointed as an Independent Director for a term of five years.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Salil Bhandari for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Salil Bhandari (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Salil Bhandari as an Independent Director of the Company for a term upto five consecutive years commencing from 27 September 2014, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. His office is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Salil Bhandari, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Salil Bhandari as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Salil Bhandari as an Independent Director.

No director, key managerial personnel or their relatives, except Mr. Salil Bhandari, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 9 for the approval of the members.

ITEM NO. 10

The present term of Mr. Rajendra K Somany as Chairman and Managing Director of the Company (hereinafter referred to as Mr. Somany) will expire by efflux of time on 8 January 2015. The Board of Directors at its meeting held on 29 May 2014, have recommended to re-appoint Mr. Somany as Chairman and Managing Director of the Company, whose office shall be liable to retire by rotation, on the remuneration as recommended by the Remuneration Committee for a further period of three years, commencing from 9 January 2015 and upto 8 January 2018. His appointment and remuneration fixed by the Board are in accordance with Schedule V to the Companies Act, 2013 ("the Act") and are subject to the approval of the shareholders for which purpose relevant resolution as set out under Item No.10 of the accompanying Notice is proposed.

The Board of Directors has recommended the remuneration payable to Mr. Somany, as stated hereunder, during the tenure of his re-appointment with power to the Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling laid down in Schedule V to the Companies Act, 2013 or any statutory amendment or relaxations thereof.

The Abstract of Terms and Conditions of the appointment and remuneration payable to Mr. Somany, as embodied in the draft Agreement to be entered into by Mr. Somany with the Company for his appointment and remuneration payable to him, are as follows:-

1. Period of Appointment

3 (Three) years commencing from 9 January 2015 to 8 January 2018.

2. Remuneration

- | | | | |
|----|------------|---|--|
| a) | SALARY | : | ₹ 17,50,000/- per month. (In the scale of ₹ 17,50,000/- - ₹ 2,50,000/- - ₹ 25,00,000/-) |
| b) | COMMISSION | : | At the rate of 4% of net profits of the Company for each financial year computed in the manner as laid down in Section 197 of the Companies Act, 2013. |

- c) **PERQUISITES** : Mr. Somany will be entitled to the following perquisites in addition to his salary and commission restricted to an amount equal to the annual salary of Mr. Somany.

Unless the context otherwise requires, perquisites are classified into three categories A, B and C as follows:-

CATEGORY - A

This will comprise of house rent allowance, leave travel concession, medical reimbursement, fees of clubs, personal accident insurance and such other benefits, facilities and allowances as may be available and allowed to Mr. Somany, as per rules of the Company. These may be provided for as under:-

Housing

- i) The expenditure incurred by the Company on hiring furnished accommodation for Mr. Somany will be subject to the ceiling – 60 (Sixty) percent of the Salary, over and above 10 (Ten) per cent payable by Mr. Somany.
- ii) In case the accommodation is owned by the Company, 10 (Ten) per cent of the salary of Mr. Somany shall be deducted by the Company.
- iii) In case no accommodation is provided by the Company, Mr. Somany shall be entitled to House Rent Allowance subject to the ceiling laid down under Clause (i) above.

Explanation

The Expenditure incurred by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10 (Ten) per cent of the salary of Mr. Somany.

Medical Reimbursement

All medical expenses incurred for self and his family including hospitalisation, Nursing Home and Surgical charges in India and/or Abroad or both subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

Leave Travel Concession

For Mr. Somany and his family once in a year incurred in accordance with the Rules of the Company.

Club Fees

Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.

Personal Accident Insurance

Of an amount, the annual premium of which does not exceed ₹10,000/- per annum for Mr. Somany.

Other benefits and Allowances

Any other benefits, facilities and allowances as may be available and allowed to Mr. Somany, as per rules of the Company.

The value of the perquisites for the purpose of calculating the above annual ceiling shall be evaluated as per Income Tax Rules wherever applicable, otherwise at actual.

CATEGORY –B

- i) Contributions to Provident Fund and Superannuation/ Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable shall be half a month's salary for each completed year of service.
- iii) Encashment of Leave at the end of the tenure will be permitted and will not be included in the computation of the ceiling on perquisites.

CATEGORY - C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Mr. Somany. Mr. Somany shall also be provided with a Mobile, Laptop and internet connection for the purpose of the Company's business, which will also not form part of perquisites.

Overall Remuneration

Subject to an overall limit of 5% of the net profits individually and 10% of the net profits collectively payable to the Chairman & Managing Director and Joint Managing Director as calculated in accordance with Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may be for the time being in force.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of office of Mr. Somany, the Company shall pay him remuneration by way of consolidated salary and perquisites in accordance with the limits laid down under Section II of Part II of the amended Schedule V to the Companies Act, 2013 as may be for the time being in force.

Sitting Fee

Mr. Somany shall not, so long as he acts as the Whole time Director, designated as the Chairman and Managing Director of the Company, be paid any sitting fee for attending any meeting of the Board or any Committee thereof.

Other Terms

Mr. Somany shall not, during the continuance of his employment hereunder or at any time thereafter, divulge or disclose to any person or make use whatever for his own or for any other purpose any confidential information or knowledge acquired by him during his employment under the Company as to the business or affairs of the Company or as to any trade secret or secrets, processes of the Company and shall, during the continuance of his employment hereunder, use his best endeavors to prevent any other person from doing so.

The Board of Directors may, in their discretion, revise or modify any of the terms of appointment and remuneration from time to time within the limits laid down in Schedule V to the Act.

Termination

Notwithstanding anything contained in this Agreement, either party shall be entitled to determine this Agreement by giving 6 (six) months' notice in writing in that behalf to the other party and on the expiry of the period of such notice, this Agreement shall stand terminated. The Company shall also be entitled without assigning any reason whatsoever, to terminate the Agreement on giving to Mr. Somany 6 (six) months' salary as specified in Clause 2 (a) in lieu of six months' notice required to be given under this Clause.

Service of Notice

Any notice to be given hereunder shall be sufficiently given or served in case of Mr. Somany by being delivered either personally to him or left for him at his address last known to the Company or sent by registered post addressed to him at such address and in the case of the Company by being delivered at or sent by registered post addressed to its registered office, any such notice if so posted shall be deemed served on the day following that on which it was posted.

In pursuance of Section II of Part II of Schedule V of the Act, following further information is given:-

1. General Information

(a) Nature of industry	Manufacturing of Sanitaryware, Faucets, Container Glass and PET Containers		
(b) Date or expected date of commencement of commercial production.	8 February 1962		
(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable.		
(d) Financial performance based on given indicators.	Financial year 2013-14 Gross Revenue : ₹ 1,88,909.28 lacs Profit after Tax : ₹ 5,619.97 lacs Rate of Dividend : 150 % Earning per Share: ₹ 8.51		
(e) Export performance and net foreign exchange earnings.	The Company had exported products worth ₹ 2638.82 lacs during the financial year 2013-14. Foreign Exchange earned and used during financial year 2013-14 and 2012-13:		
		(₹ in lacs)	
		2013-14	2012-13
	Foreign exchange earned :	2638.82	3399.59
	Foreign exchange used :	21826.74	22598.78
(f) Foreign investments or collaborators, if any.	The Company has no foreign collaborations.		

2. Information about the appointee:

Background Details	<p>Mr. Rajendra K. Somany, commerce graduate from St. Xavier’s College Calcutta University, possesses an extensive 59-year working experience and provides the strategic direction and vision to the Company.</p> <p>His expertise has won him the fellowship of Institute of Ceramics, U.K. and of the British Institute of Management and a life fellow of All India Management Association. Other memberships he holds include – Emeritus Member of the American Ceramic Society, Fellow of the Chartered Management Institute of UK and Member of the Institute of Materials, Minerals and Mining, UK (IOM³). Mr. Somany assisted Bureau of Indian Standards (BIS) to develop quality standards for sanitaryware industry. He has been instrumental in aligning the Indian Standards with the European Standards.</p> <p>Mr. Somany has headed various national chambers of commerce -- Chairman of Council of Indian Employers; President of Employers’ Federation of India; President of The Associated Chambers of Commerce and Industry of India; President of PHD Chamber of Commerce & Industry, etc. He was the founder President of Bahadurgarh Chamber of Commerce and Industry. He is also serving as Chairman of Indian Plumbing Skills Council.</p>											
Past Remuneration	<p>The remuneration drawn by Mr. Somany during the past four years is as follows:</p> <table><tr><th>Year</th><th>₹ in lacs</th></tr><tr><td>2010-11</td><td>666.40</td></tr><tr><td>2011-12</td><td>876.21</td></tr><tr><td>2012-13</td><td>649.41</td></tr><tr><td>2013-14</td><td>573.49</td></tr></table>		Year	₹ in lacs	2010-11	666.40	2011-12	876.21	2012-13	649.41	2013-14	573.49
Year	₹ in lacs											
2010-11	666.40											
2011-12	876.21											
2012-13	649.41											
2013-14	573.49											
Recognition or Awards	<p>Past Chairman of Council of Indian Employers; Past President of Employers’ Federation of India; Past President of The Associated Chambers of Commerce and Industry of India (ASSOCHAM); Past President of PHD Chamber of Commerce & Industry Chairman of Indian Plumbing Skills Council Received two Lifetime Achievement Awards - one from the India Plumbing Association and the other by a reputed trade magazine - Washroom & Beyond. Conferred ‘the World Leader Businessperson’ by the World Confederation of Business</p>											
Job Profile and his suitability	<p>He is the Chairman and Managing Director of the Company and devotes whole time attention to the management of the affairs of the Company and exercises powers under the supervision and superintendence of the Board of the Company.</p>											
Remuneration Proposed	<p>As mentioned above.</p>											
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	<p>Considering the responsibility shouldered by him of the enhanced business activities of the Company and also considering the levels of remuneration in India and worldwide, the remuneration proposed is considered reasonable. Remuneration Committee consisting of three independent Directors, after elaborate discussion, have approved the proposed remuneration.</p>											
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.	<p>Does not have any pecuniary relationship with the Company except remuneration drawn as Chairman & Managing Director and as a member to the extent of his shareholding in the Company.</p> <p>He is related to Mr. Sandip Somany, Joint Managing Director and Mrs. Sumita Somany, Non-Executive (Additional) Director.</p>											

3. Other Information

Reasons of loss or inadequate profits	There is profit, but as an abundant caution for payment of minimum remuneration to the Chairman and Managing Director in case of no profit or inadequate profit in any particular year the information is provided to the Shareholders.
Steps taken or proposed to be taken for improvement	
Expected increase in productivity and profits in measurable terms	

General Information

The Board of Directors are of the view that it is in the interest of the Company to continue to avail the services of Mr. Somany as Chairman and Managing Director of the Company.

Approval of members is sought for re-appointment of Mr. R.K. Somany as Chairman and Managing Director and for payment of remuneration including minimum remuneration.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution set out under Item No. 10 of the accompanying Notice of 54th Annual General Meeting of the Company except Mr. R. K. Somany, Mr. Sandip Somany, and Mrs. Sumita Somany, being relatives of each other.

Inspection of documents

The draft of the proposed Agreement to be entered into between the Company and Mr. Rajendra K Somany is available for inspection by the Members of the Company at its Registered Office, on any working day prior to the date of the meeting during 3.00 p.m to 5 p.m and will also be available at the meeting.

The Board recommends the Resolution for approval of the Shareholders of the Company.

ITEM NO. 11

Members are aware that Mr. Girdhari Lal Sultania, proprietor of M/s G. L. Sultania & Co., has been associated with the Company as Director since 9 January 2006. He holds a Bachelor Degree in Commerce and is a qualified Chartered Accountant and Company Secretary. He is a consultant by profession and possesses vast knowledge and experience of Financial Restructuring, Corporate Laws and Legal Compliance.

In accordance with the provisions of Section 197 of the Companies Act, 2013, the Nomination and Remuneration Committee, in their meeting held on 11 August 2014, expressed its opinion, as required under relevant provisions, that Mr. Sultania possesses the requisite qualification to render consultancy services.

The Nomination and Remuneration Committee has recommended and the Board of Directors has approved entering into Consultancy Contract with M/s G. L. Sultania & Co., Proprietor Mr. Girdhari Lal Sultania.

Besides the payment of remuneration in the professional capacity, Mr. Sultania shall be entitled to receive sitting fees for attending the meetings of Board of Directors and committees thereof and commission as paid to all Non- Executive Directors of the Company as approved vide shareholder's resolution dated 30 September 2013.

The draft of the proposed Consultancy Contract is available for inspection at the Registered Office of the Company, on any working day prior to the date of the meeting during 11.00 A.M. and 5.00 P.M. and will also be available at the meeting.

Mr. Sultania holds 6705 equity shares of the Company.

None of the Directors, Key Managerial Personnel or their relative, except Mr. Girdhari Lal Sultania, are deemed to be concerned or interested, financially or otherwise in the proposed special resolution

The Board recommends the resolution set forth in Item No. 11 for approval of members.

By order of the Board
For HSIL Limited

(Payal M. Puri)
Company Secretary

Place : Gurgaon
Date : 11 August 2014

Information pursuant to clause 49 of the Listing Agreement regarding Directors seeking appointment / re-appointment

Mr. Rajendra K Somany

Age	77
Qualification	Commerce Graduate from St. Xavier's College, Calcutta University
Brief Resume and Area of Expertise	<p>Mr. Rajendra K Somany possesses an extensive 59-year working experience and provides the strategic direction and vision to the Company.</p> <p>His expertise has won him the fellowship of Institute of Ceramics, U.K. and of the British Institute of Management and a life fellow of All India Management Association. Other memberships he holds include – Emeritus Member of the American Ceramic Society, Fellow of the Chartered Management Institute of UK and Member of the Institute of Materials, Minerals and Mining, UK (IOM³).</p> <p>Mr. Somany assisted Bureau of Indian Standards (BIS) to develop quality standards for sanitaryware industry. He has been instrumental in aligning the Indian Standards with the European Standards.</p> <p>Mr. Somany has headed various national chambers of commerce - Chairman of Council of Indian Employers; President of Employers' Federation of India; President of The Associated Chambers of Commerce and Industry of India; President of PHD Chamber of Commerce & Industry, etc. He was the founder President of Bahadurgarh Chamber of Commerce and Industry. He is also serving as Chairman of Indian Plumbing Skills Council.</p>
Other Directorship	<ol style="list-style-type: none"> 1. Ceramic Services Limited 2. Soma Investment Limited 3. Paco Exports Limited 4. HSIL Associates Limited
Chairman/ Member of the Committees of Boards of other companies	--
No. of share held	26,20,114

Mrs. Sumita Somany

Age	48
Qualification	B.Com
Brief Resume and Area of Expertise	<p>Mrs. Sumita Somany is whole time director of Hindware Home Retail Private Limited (HHRPL) which is engaged in modern retail sector with Home Interiors Specialty business, considering growing urbanisation and residential landscapes, changing consumer lifestyle, modern retail sector opportunities and the demand-supply scenarios. She is a professional with insight and expertise in the domain of home interiors with more than 6 years of experience and has been instrumental in expansion of the company with 19 retail outlets across India</p>
Other Directorship	<ol style="list-style-type: none"> 1. Soma Investment Limited 2. Paco Exports Limited
Chairman/ Member of the Committees of Boards of other companies	--
No. of share held	76,665

Mr.Nand Gopal Khaitan

Age	63
Qualification	B.com., L.L.B.
Brief Resume and Area of Expertise	He is an Attorney-At-Law, Advocate and Notary, practicing in the Hon'ble High Court Calcutta and the Hon'ble Supreme Court of India. He is a Senior Partner of Khaitan & Co. having experience in legal profession. He has handled various kinds of corporate and arbitration matters, commercial and civil litigation, mergers, acquisitions and joint ventures. He holds the reputation of being a committee member of the Federation of Indian Chambers of Commerce and Industry (FICCI), President of Indian Council of Arbitration, New Delhi and committee member of the Bharat Chamber of Commerce, Calcutta.
Other Directorship	<ol style="list-style-type: none"> 1. Chase Bright Steel Limited 2. JK Lakshmi Cement Limited 3. Mangalam Timber Products Limited 4. Mangalam Cement Limited 5. Reliance Chemotex Industries Limited 6. Rasoi Limited 7. India Power Corporation Limited (formerly DPSC Limited) 8. Warren Tea Limited
Chairman/ Member of the Committees of Boards of other companies	<p>Chairman</p> <p>Audit Committee</p> <ol style="list-style-type: none"> 1. Mangalam Timber Products Limited <p>Investment Committee</p> <ol style="list-style-type: none"> 1. Mangalam Cement Limited <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. India Power Corporation Limited (formerly DPSC Limited) <p>Member</p> <p>Audit Committee</p> <ol style="list-style-type: none"> 1. JK Lakshmi Cement Limited 2. Reliance Chemotex Industries Limited 3. Mangalam Cement Limited 4. India Power Corporation Limited (formerly DPSC Limited) <p>Share Transfer Committee</p> <ol style="list-style-type: none"> 1. Mangalam Timber Products Limited <p>Shareholders'/Investor Grievance Committee</p> <ol style="list-style-type: none"> 1. JK Lakshmi Cements Limited <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. Mangalam Cement Limited
No. of share held	832

Mr. Vijay Kumar Bhandari

Age	70 Years
Qualification	Fellow member of Institute of Chartered Accountants of India
Brief Resume and Area of Expertise	He is a Chartered Accountant by qualification, ex-banker by profession and former General Manager of Central Bank of India. He has over 30 years of experience in Banking Industry and had been the Head of Credit, Credit Monitoring, Treasury, Investments, Funds Management, Merchant Banking, International Banking Divisions.

Other Directorship	<ol style="list-style-type: none"> 1. Super Smelters Limited 2. Jayant Agro-Organics Limited 3. Kopran Limited 4. Capital Local Area Bank Limited 5. Guru Nanak Auto Enterprises Limited 6. Golden Tobacco Limited 7. Khanna Paper Mills Limited 8. Midland Microfin Limited
Chairman / Member of the Committees of Boards of other companies	<p>Chairman</p> <p>Audit Committee</p> <ol style="list-style-type: none"> 1. Super Smelters Limited <p>Share Transfer & Grievances Committee</p> <ol style="list-style-type: none"> 1. Jayant Agro-Organics Limited <p>Member</p> <p>Audit Committee</p> <ol style="list-style-type: none"> 1. Jayant Agro-Organics Limited <p>Share Transfer & Grievances Committee</p> <ol style="list-style-type: none"> 1. Kopran Limited <p>Credit Sanctioning Committee</p> <ol style="list-style-type: none"> 1. Capital Local Area Bank Limited <p>Risk Management Committee</p> <ol style="list-style-type: none"> 1. Capital Local Area Bank Limited <p>Management Committee</p> <ol style="list-style-type: none"> 1. Capital Local Area Bank Limited <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. Golden Tobacco Limited
No. of shares held	Nil

Mr. Ashok Jaipuria

Age	60 Years
Qualification	Degree in Associate of Arts in Business Administration and Diploma in Marketing Science
Brief Resume and Area of Expertise	He is Chairman and Managing Director of Cosmo Films Ltd., a businessman with strong vision who made Cosmo Films Ltd., the largest BOPP film manufacturer and exporter. He is a member of the Executive Committee of the Federation of Indian Chamber of Commerce and Industry (FICCI) as well as Confederation of Indian Industry (CII) and The Golf Foundation, a charitable society formed with an objective of helping the under privileged potential golfers in India.
Other Directorship	<ol style="list-style-type: none"> 1. Cosmo Films Limited 2. Cosmo Ferrites Limited
Chairman/ Member of the Committees of Boards of other companies	<p>Member</p> <p>Finance & Operations Committee</p> <ol style="list-style-type: none"> 1. Cosmo Films Ltd.
No. of shares held	18,000

Mr. Salil Bhandari

Age	56 Years
Qualification	Fellow member of Institute of Chartered Accountants of India, B. Com. (Hons.), and Diploma in Business Administration
Brief Resume and Area of Expertise	<p>Mr. Salil Bhandari is the founder of B G Jeffreys Consulting, which a well-respected management consulting firm based in New Delhi. He has been counseling top management in several areas of organizational administration, culture, mission and focus. He brings with him valuable experience and tactical know-how in the areas of devising acquisition strategies, international alliances and JVs and organisational restructuring.</p> <p>Mr. Bhandari has been associated with several associations prior to this position. He has been the President of PHD Chamber of Commerce in the year [2011], served as the head for Society for Integrated Development of Himalayas (SIDH) from [1989 to 2006], member Task Force – Commission on Centre State Relations, Govt. of India [2008], Management Committee member at ASSOCHAM [2005-11], member, Advisory Committee, Dept. of Company Affairs, Govt. of India [2003-05] to name a few.</p>
Other Directorship	<ol style="list-style-type: none"> 1. Ginni International Limited 2. Omax Autos Limited 3. BSL Limited 4. Synergy Environics Limited 5. Bhilwara Energy Limited 6. Omax Engineering Services Limited
Chairman / Member of the Committees of Boards of other companies	<p>Chairman</p> <p>Audit Committee</p> <ol style="list-style-type: none"> 1. BSL Limited 2. Bhilwara Energy Limited <p>Member</p> <p>Audit Committee</p> <ol style="list-style-type: none"> 1. Omax Autos Limited <p>Shareholders'/Investors' Committee</p> <ol style="list-style-type: none"> 1. Ginni International Limited <p>Share Transfer Committee</p> <ol style="list-style-type: none"> 1. Ginni International Limited <p>Remuneration Committee</p> <ol style="list-style-type: none"> 1. Ginni International Limited
No. of shares held	Nil



HSIL Limited

Registered Office: 2, Red Cross Place, Kolkata – 700 001.

Phone: 91-33-2248 7406/07, Fax: 91-33-2248 7045

E-mail: hsilinvestors@hindware.co.in

CIN: L51433WB1960PLC024539

ATTENDANCE SLIP

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

Folio No. No. of Shares held

Client ID DP ID

Full Name(s) of Member / Joint Members

1 2

3 4

Full Name of the Proxy if attending the meeting

I hereby record my presence at the Fifty Fourth Annual General Meeting of the Company held at Somany Conference Hall of MCC Chamber of Commerce and Industry, 15B, Hemanta Basu Sarani, Kolkata - 700 001 on Saturday, the 27 September 2014 at 11:00 a.m.

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

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





HSIL Limited

Registered Office: 2, Red Cross Place, Kolkata – 700 001.

Phone: 91-33-2248 7406/07, Fax: 91-33-2248 7045

E-mail: hsilinvestors@hindware.co.in

CIN: L51433WB1960PLC024539

Form No. MGT-11

PROXY FORM

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

Name of the member(s)	
Registered Address	
E-Mail ID	
Folio No/ Client Id	
DP ID	

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

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

proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th Annual General Meeting of the Company, to be held on the Saturday, 27th day of September, 2014 at 11.00 a.m. at Somany Conference Hall of MCC Chamber of Commerce and Industry, 15 B, Hemanata Basu Sarani, Kolkata-700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolution	Number of shares held	For	Against
Ordinary Business				
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 March 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Auditors and Directors thereon.			
2.	To declare dividend on equity shares for the financial year ended 31 March 2014.			
3.	To appoint a Director in place of Mr. G. L. Sultania, who retires by rotation and, being eligible, offers himself for re-appointment.			
4.	To appoint M/s. Walker Chandiok & Co LLP (formerly Walker Chandiok & Co.) Chartered Accountants (ICAI Registration No. 001076N) as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.			
Special Business				
5.	To appoint Mrs. Sumita Somany as Director			
6.	To appoint Mr. Nand Gopal Khaitan as an Independent Director			
7.	To appoint Mr. Vijay Kumar Bhandari as an Independent Director			
8.	To appoint Mr. Ashok Jaipuria as an Independent Director			
9.	To appoint Mr. Salil Bhandari as an Independent Director			
10.	To re-appoint Mr. Rajendra K Somany as Chairman and Managing Director			
11.	To authorise entering into Consultancy Contract with M/s G. L. Sultania & Co., Proprietor Mr. Girdhari Lal Sultania, Non-Executive Director			

Signed this day of 2014

Signature of shareholder

Signature of Proxy holder (s):

Affix a
Revenue
Stamp
of ₹ 1/-

Note:

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

CORPORATE INFORMATION

Board of Directors

Mr. Rajendra K Somany,
Chairman and Managing Director

Mr. Sandip Somany,
Joint Managing Director

Mr. Ashok Jaipuria

Mr. G. L. Sultania

Mr. N. G. Khaitan

Mr. V. K. Bhandari

Dr. Rainer Siegfried Simon

Mr. Salil Kumar Bhandari

Mrs. Sumita Somany

Company Secretary

Ms. Payal M. Puri

Statutory Auditors

M/s Walker Chandio & Co., LLP
Chartered Accountants

Cost Auditors

M/s Narasimha Murthy & Co.

Internal Auditors

M/s DH Consultants Pvt. Ltd
(formerly known as BDO Consulting Pvt. Ltd)

Registered Office

2, Red Cross Place, Kolkata - 700 001
Tel: +91 33 22487406/07
Fax: +91 33 22487045
E-mail: hsilinvestors@hindware.co.in

Corporate Office

301-302, Park Centra, Sector 30,
National Highway 8, Gurgaon-122 001
Tel: +91 1244 779200/201
Fax: +91 1244 292898/99

Plant Locations

Building Products Division

Bahadurgarh-124 507,
Dist. Jhajjar, Haryana
Tel: +91 1276 230485/7, 2322 26/8
Fax: +91 1276 230138

Somanypuram Brahmanapally Village,
Bibinagar, Dist. Nalgonda - 508 126,
Telangana
Tel: +91 8685 651 773/448

G 470-471, Phase I, RIICO Industrial Area,
Bhiwadi - 301 019, Rajasthan
Tel: +91 1432 257752

Plot No. SP1 - 254, RIICO Industrial Area,
Kaharani, Bhiwadi - 301 019, Rajasthan

Packaging Products Division

AGI GLAS PAC

Glass Factory Road, Off Motinagar,
P.B. No. 1930, Sanathnagar P.O.,
Hyderabad - 500 018, Telangana
Tel: +91 4023 831771
Fax: +91 4023 831787

Glass Factory Road, Bhongir - 508 116,
Nalgonda District, Telangana
Tel: +91 8685 246600

GARDEN POLYMERS

Garden Polymers, KIADB Industrial
Area, Lakamanhalli, Dharwad - 580 004,
Karnataka, India. Tel: 0836-2461390

Garden Polymers, F-86, UPSIDC,
Industrial Area, Selaqui,
Dehradun - 248 197, Uttarakhand, India,
Tel: 0135-2699150

Regional Offices

Ahmedabad

Tel: +91 79 40028980
E-Mail: ahmedabad.depot@hindware.co.in

Bengaluru

Tel: +91 80 30428900
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Bhubaneswar

Tel: +91 674 2580337
E-Mail: bbsrdepot@hindware.co.in

Chandigarh

Tel: +91 172 2659462
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Tel: +91 44 43412777
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Ernakulam

Tel: +91 484 2426587
E-Mail: kochidepot@hindware.co.in

Ghaziabad

Tel: +91 120 3203226
E-Mail: ghaziabad.depot@hindware.co.in

Bankers

Andhra Bank

Canara Bank

Central Bank of India

Citibank, N.A.

DBS Bank

Deutsche Bank AG

GE Money Financial Services

HDFC Bank Limited

Standard Chartered Bank

The Hongkong and Shanghai Banking
Corporation

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Tel: +91 22 43420600
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Pune

Tel: +91 20 24269582
E-Mail: pune@hindware.co.in

Ranchi

Tel: +91 651 6571276
E-Mail: ranchi.depot@hindware.co.in

Secunderabad

Tel: +91 40 6628 8000/10
E-Mail: marketing.hyd@hindware.co.in

EVOK Stores

Delhi: Kirtinagar; GK-II Market

Haryana: Crown Interiorz Mall, Faridabad; JMD Mall, Gurgaon

Uttar Pradesh: Shipra Mall, Ghaziabad; Sector 18 Market, Noida; Shalimar Building,
Lucknow

Punjab: Paras Down Town Square, Zirakpur; Chandigarh; Ferozpur Road, Ludhiana

Maharashtra: Hypercity, Near Inorbit Mall, Malad Hypercity, Viviana Mall, Thane

Telangana: Jubilee Hills, Hyderabad

Karnataka: Bellandur; J P Nagar; Kalyan Nagar, Bengaluru

Rajasthan: Tonk Road, Jaipur

Kerala: RAK Tower, Kochi

Madhya Pradesh: Malhar Mega Mall, Indore



Registered Office

2, Red Cross Place, Kolkata - 700 001

Tel: +91 33 22487406/07 Fax: +91 33 22487045

E-mail: hsilinvestors@hindware.co.in

Corporate Office

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