

Walker Chandiook & Co LLP

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Review Report on Quarterly and Year to Date Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of HSIL Limited

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of HSIL Limited (the "Company") for the quarter ended 30 September 2016 and the year to date results for the period 1 April 2016 to 30 September 2016 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 September 2015 and the corresponding year to date from 1 April 2015 to 30 September 2015 including the reconciliation of net profit under Ind AS of the aforementioned periods with net profit reported under the previous GAAP, as included in the Statement have been approved by the Company's Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



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3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Lalit Kumar
per Lalit Kumar
Partner
Membership No. 095256



Place: Gurgaon
Date : 7 November 2016

PART I

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2016						
	Particulars	3 months ended 30 September 2016 (Unaudited)	3 months ended 30 June 2016 (Unaudited)	Corresponding 3 months ended 30 September 2015 (Refer note 2)	Year to date figures for current period ended 30 September 2016 (Unaudited)	Year to date figures for previous period ended 30 September 2015 (Refer note 2)
1	Income from operations					
	a) Gross sales	506.75	494.16	427.48	1,000.91	856.04
	b) Other operating income	3.33	4.49	15.69	7.82	20.40
	Total income from operations	510.08	498.65	443.17	1,008.73	876.44
2	Expenses					
	a) Cost of materials consumed	96.16	91.98	87.78	188.14	172.19
	b) Purchases of stock-in-trade	111.54	81.11	79.95	192.65	129.92
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(32.09)	(0.53)	(37.62)	(32.62)	(25.13)
	d) Excise duty	36.50	38.39	31.93	74.89	65.64
	e) Employee benefits expense	62.40	61.98	55.77	124.38	107.10
	f) Depreciation and amortisation expense	28.20	27.13	27.42	55.33	54.03
	g) Power and fuel	57.32	56.07	61.02	113.39	118.78
	h) Other expenses	96.83	96.26	88.60	193.09	168.11
	Total expenses	456.86	452.39	394.85	909.25	790.64
3	Profit from operations before other income, finance costs and exceptional items [1-2]	53.22	46.26	48.32	99.48	85.80
4	Other income (refer note 3)	2.11	2.07	6.67	4.18	9.03
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	55.33	48.33	54.99	103.66	94.83
6	Finance costs	7.02	8.46	9.19	15.48	19.61
7	Profit from ordinary activities after finance costs but before exceptional items (5-6)	48.31	39.87	45.80	88.18	75.22
8	Exceptional items	-	-	-	-	-
9	Profit from ordinary activities before tax [7+8]	48.31	39.87	45.80	88.18	75.22
10	Tax expense	16.82	13.39	16.74	30.21	26.69
11	Net profit from ordinary activities after tax [9-10]	31.49	26.48	29.06	57.97	48.53
12	Extraordinary items (net of tax expenses Rs. nil)	-	-	-	-	-
13	Net profit for the period [11-12]	31.49	26.48	29.06	57.97	48.53
14	Other comprehensive income (net of tax)	(0.21)	1.63	(0.13)	1.42	0.44
15	Total comprehensive income [13+14]	31.28	28.11	28.93	59.39	48.97
16	Earnings before interest, depreciation, tax and amortisation (EBIDTA) [5+2 (f)]	83.53	75.46	82.41	158.99	148.86
17	Paid up equity share capital (face value of Rs. 2/- per share)	14.46	14.46	14.46	14.46	14.46
18	Earnings per share (before extraordinary items) (of Rs. 2/- each) (not annualized)					
	(a) Basic (Rs.)	4.36	3.66	4.02	8.02	6.71
	(b) Diluted (Rs.)	4.36	3.66	4.02	8.02	6.71

PART II

Segment wise revenue, results and capital employed

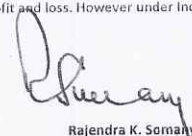
	Particulars	3 months ended 30 September 2016 (Unaudited)	3 months ended 30 June 2016 (Unaudited)	Corresponding 3 months ended 30 September 2015 (Refer note 2)	Year to date figures for current period ended 30 September 2016 (Unaudited)	Year to date figures for previous period ended 30 September 2015 (Refer note 2)
1	Segment revenue:					
	a) Building products	286.17	251.52	243.47	537.69	447.98
	b) Packaging products	223.75	246.35	198.92	470.10	427.18
	c) Others	0.76	0.78	0.78	1.54	1.28
	Total	510.68	498.65	443.17	1,009.33	876.44
	Less: Inter segment revenue	0.60	-	-	0.60	-
	Total income from operations	510.08	498.65	443.17	1,008.73	876.44
2	Segment results: Profit(+)/ loss(-) (before tax and interest from each segment) (refer note 3)					
	a) Building products	40.19	31.74	39.77	71.93	69.13
	b) Packaging products	24.62	25.69	23.89	50.31	41.15
	c) Others	0.54	0.57	0.50	1.11	0.85
	Total profit before unallocable expenditure	65.35	58.00	64.16	123.35	111.13
	Less: i) Finance costs	7.02	8.46	9.19	15.48	19.61
	ii) Other un-allocable expenditure net off un-allocable income	10.02	9.67	9.17	19.69	16.30
	Total Profit before tax	48.31	39.87	45.80	88.18	75.22
3	Segment assets					
	a) Building products	1,222.94	1,171.01	1,124.48	1,222.94	1,124.48
	b) Packaging products	1,330.36	1,307.32	1,345.58	1,330.36	1,345.58
	c) Others	8.52	7.85	8.30	8.52	8.30
	d) Unallocated	257.82	224.68	231.36	257.82	231.36
	Total	2,819.64	2,710.86	2,709.72	2,819.64	2,709.72
	Segment liabilities					
	a) Building products	501.36	410.83	431.25	501.36	431.25
	b) Packaging products	808.40	799.08	909.44	808.40	909.44
	c) Others	-	-	-	-	-
	d) Unallocated	11.50	(113.18)	(41.61)	11.50	(41.61)
	Total	1,321.26	1,096.73	1,299.08	1,321.26	1,299.08



STATEMENT OF STANDALONE ASSETS AND LIABILITIES		(Rs. in crore)
		As at current half year end 30 September 2016 (Unaudited)
A	ASSETS	
	Non-current assets	
	Property, plant and equipments	1,448.35
	Capital work in progress	83.20
	Goodwill	26.94
	Other intangible assets	4.58
	Financial assets	
	- Investments	150.97
	- Loans and advances	46.09
	- Other financial assets	12.63
	Other non-current assets	132.73
	Total non-current assets	1,905.49
	Current assets	
	Inventories	495.33
	Financial assets	
	- Trade receivables	339.13
	- Cash and cash equivalents	51.76
	- Bank balance other than above	3.76
	- Loans and advances	19.73
	- Other financial assets	1.58
	Other current assets	2.86
	Total current assets	914.15
	TOTAL ASSETS	2,819.64
B	EQUITY AND LIABILITIES	
	Equity	
	Equity share capital	14.46
	Other equity	
	Share premium	454.98
	Retained earnings	554.57
	Other reserves	474.37
	Total equity	1,498.38
	Liabilities	
	Non-current liabilities	
	Financial liabilities	
	- Borrowings	234.65
	- Other financial liabilities	21.85
	Long term provisions	6.40
	Deferred tax liabilities (net)	200.30
	Other non-current liabilities	1.30
	Total non-current liabilities	464.50
	Current liabilities	
	Financial liabilities	
	- Borrowings	350.04
	- Trade payables	171.38
	- Other payables	102.34
	- Other current financial liabilities	217.04
	Short term provisions	5.07
	Liability for current tax (net)	10.89
	Total current liabilities	856.76
	Total liabilities	1,321.26
	TOTAL EQUITY AND LIABILITIES	2,819.64



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Notes:			
(1) Results for the quarter and half year ended 30 September 2016 have been prepared by the management in compliance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs. Consequently, results for the quarter and half year ended 30 September 2015 have been restated to comply with Ind AS to make them comparable.			
(2) The Audit Committee has reviewed these results and the Board of Directors have approved the above results and its release at their respective meetings held on 7 November 2016. The statutory auditors of the Company have carried out the limited review of the results for the quarter and half year ended 30 September 2016. The Ind AS compliant financial results pertaining to the corresponding quarter and half year ended 30 September 2015, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.			
(3) For the quarter and half year ended 30 September 2016, other income includes Rs. 0.54 crore (previous period Rs. 5.06 crore) and Rs. 1.27 crore (previous period Rs. 5.62 crore) respectively relating to gain on fair valuation (mark-to-market gain) of derivative contracts. Out of this Rs. 0.54 crore (previous period Rs. 1.47 crore) and Rs. 1.27 crore (previous period Rs. 3.00 crore) for the quarter and half year ended 30 September 2016 respectively pertains to Building Products segment and Rs. Nil (previous period Rs. 3.59 crore) and Rs. Nil (previous period Rs. 2.62 crore) for the quarter and half year ended 30 September 2016 respectively pertains to Packaging Products segment.			
(4) Reconciliation between financial results as previous under Indian GAAP and Ind AS for the quarter and half year ended 30 September 2015: (Rs. in crore)			
Description	Sub note	Quarter ended 30 September 2015	half year ended 30 September 2015
Net profit as per previous Indian GAAP		24.33	41.68
Impact due to reversal of amortisation of goodwill arising on amalgamation	(i)	1.68	3.37
Impact of fair valuation of derivative contracts	(ii)	5.06	5.62
Impact of financial assets and liabilities at amortised cost	(iii)	0.39	0.86
Impact of actuarial gain/loss on defined benefit plans	(iv)	0.20	0.40
Others		(0.11)	(0.23)
Impact of deferred tax liability (net) on account of the above adjustments		(2.49)	(3.17)
Net profit as per Ind AS		29.06	48.53
Sub Notes:			
(i) Under previous Indian GAAP, the goodwill arising on amalgamation was being amortised over a specified period. However, under Ind AS, the same is tested for impairment at each reporting date.			
(ii) Under the previous Indian GAAP, mark-to-market losses on derivative contracts were recognised whereas the gain arising on the said contracts were ignored. However, under Ind AS, all derivatives are measured at fair value through profit and loss and mark-to-market gain/losses are recorded in the relevant period.			
(iii) Under previous Indian GAAP, the financial assets and financial liabilities were carried at cost. However under Ind AS, certain financial assets and financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.			
(iv) Under the previous Indian GAAP, the actuarial gains/losses arising on defined benefit plans was being charged to the statement of profit and loss. However under Ind AS the same is recognised in other comprehensive income.			
Place : Gurgaon			
Date: 7 November 2016		Rajendra K. Somany Chairman and Managing Director	

