

29<sup>th</sup> January, 2018

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

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

Dear Sirs,

**Sub: Unaudited Financial Results and Limited Review Report for the third quarter and nine months ended 31<sup>st</sup> December, 2017 together with Segment wise Revenue, Results and Capital Employed**

In compliance with the requirements of Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith Un-audited Financial Results for the third quarter and nine months ended 31<sup>st</sup> December, 2017 including Segment wise Revenue, Results and Capital Employed of the Company as on 31<sup>st</sup> December, 2017, duly recommended by the Audit Committee and subsequently considered and approved by the Board of Directors in their meeting held on Monday, 29<sup>th</sup> January, 2018 along with the Limited Review Report of the Statutory Auditors thereon.

The Meeting of Board of Directors was commenced at 2:00 pm and concluded at 4:30 pm.

This is for your reference and record.

For HSIL Limited



(Payal M. Puri)  
Company Secretary

Name: Payal M. Puri  
Address: 301-302, 3<sup>rd</sup> Floor, Park Centra, Sector-30, Gurugram-122001  
Membership No. 16068

Encl: As above

**HSIL Limited**  
(An ISO 9001 14001 OHSAS 18001 Certified Company)

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**Registered Office:** 2, Red Cross Place, Kolkata, West Bengal - 700 001. T +91-33-22487406/07, F +91-33-22487045

marketing@hindware.co.in | www.hindwarehomes.com | CIN No. - L51433WB1960PLC024539



## HSIL LIMITED

REGD. OFFICE: 2, RED CROSS PLACE, KOLKATA-700 001

Website: www.hindwarehomes.com

CIN : L51433WB1960PLC024539

**PART I**

**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 DECEMBER 2017**

(Rs. in crore)							
Particulars	3 months period ended 31 December 2017 (Unaudited)	Preceding 3 months period ended 30 September 2017 (Unaudited)	Corresponding 3 months period ended in the previous year 31 December 2016 (Unaudited)	Year to date figure for current period ended 31 December 2017 (Unaudited)	Year to date figure for previous period ended 31 December 2016 (Unaudited)	Year ended 31 March 2017 (Audited)	
I Revenue from operations (refer note 7 below)	578.41	532.55	542.95	1,626.38	1,593.14	2,229.90	
II Other income	1.02	1.57	1.02	3.38	3.61	4.55	
III Total income (I+II)	579.43	534.12	543.97	1,629.76	1,596.75	2,234.45	
IV Expenses							
a) Cost of materials consumed	103.35	103.84	91.47	289.96	279.61	370.59	
b) Purchases of stock-in-trade	133.39	138.79	114.84	380.55	327.86	439.40	
c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	0.54	(41.36)	(16.68)	(56.54)	(44.76)	(6.48)	
d) Excise duty	-	-	37.64	35.00	112.53	154.92	
e) Employee benefits expense	75.57	79.22	71.53	223.19	203.03	286.33	
f) Finance cost	12.87	12.16	7.56	35.48	23.95	33.36	
g) Depreciation and amortization expense	28.93	26.94	28.17	82.03	85.51	110.83	
h) Power and fuel	69.58	65.41	63.68	199.41	177.72	245.29	
i) Other expenses	123.46	114.54	111.17	357.06	321.09	450.55	
Total expenses (IV)	547.69	499.54	509.38	1,546.14	1,486.54	2,084.79	
V Profit before exceptional items and tax (III-IV)	31.74	34.58	34.59	83.62	110.21	149.66	
VI Exceptional item							
- Provision for impairment of investments	-	2.11	-	2.11	-	-	
- Loss due to fire (refer note 6 (i))	(6.94)	-	-	(6.94)	-	-	
- Less: Transfer from business reconstruction reserve (refer note 4)	-	(2.11)	-	(2.11)	-	-	
VII Profit before tax (V-VI)	24.80	34.58	34.59	76.68	110.21	149.66	
VIII Tax expense							
a) Current tax	9.77	12.77	2.97	30.16	41.67	48.89	
b) Deferred tax charge/(benefit)	(0.55)	(1.69)	8.62	(4.32)	(4.17)	(2.25)	
Tax expenses (VIII)	9.22	11.08	11.59	25.84	37.50	46.64	
IX Profit for the period (VII - VIII)	15.58	23.50	23.00	50.84	72.71	103.02	
X Other comprehensive income (net of tax)							
(A)(i) Items that will not be reclassified to profit or loss	0.20	0.21	(0.32)	0.61	1.43	3.10	
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.07)	(0.07)	0.11	(0.21)	(0.22)	(0.56)	
(B)(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-	
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	
Total other comprehensive income (X)	0.13	0.14	(0.21)	0.40	1.21	2.54	
XI Total comprehensive income for the period (IX+X)	15.71	23.64	22.79	51.24	73.92	105.56	
XII Earnings before interest, depreciation, tax and amortization (EBIDTA) [V+IV (f)+IV(g)]	73.54	73.68	70.31	201.13	219.67	293.85	
XIII Paid-up equity share capital (face value Rs.2/- per share)	14.46	14.46	14.46	14.46	14.46	14.46	
XIV Other equity (excluding revaluation reserve)	-	-	-	-	-	1,119.56	
XV Earnings per share: (of Rs. 2/- each) (not annualized)							
(a) Basic (Rs.)	2.16	3.25	3.18	7.03	10.06	14.25	
(b) Diluted (Rs.)	2.16	3.25	3.18	7.03	10.06	14.25	

**PART II**

**Segment wise revenue, results, assets and liabilities**

(Rs. in crore)							
Particulars	3 months period ended 31 December 2017 (Unaudited)	Preceding 3 months period ended 30 September 2017 (Unaudited)	Corresponding 3 months period ended in the previous year 31 December 2016 (Unaudited)	Year to date figure for current period ended 31 December 2017 (Unaudited)	Year to date figure for previous period ended 31 December 2016 (Unaudited)	Year ended 31 March 2017 (Audited)	
1 Segment revenue from operations (refer note 7 below):							
a) Building products	253.78	258.28	245.46	744.95	733.53	1,037.65	
b) Packaging products	243.26	201.69	238.96	662.88	709.06	969.06	
c) Consumer products	62.10	54.60	35.22	157.35	84.84	127.70	
d) Retail business	23.75	25.08	23.72	72.66	65.67	95.83	
e) Others	0.06	0.63	0.07	1.37	1.61	1.79	
Total	582.95	540.28	543.43	1,639.21	1,594.71	2,232.03	
Less: Inter segment revenue	4.54	7.73	0.48	12.83	1.57	2.13	
Total income from operations	578.41	532.55	542.95	1,626.38	1,593.14	2,229.90	
2 Segment results: Profit(+)/ loss(-) (before tax and interest from each segment)							
a) Building products	42.64	49.66	38.15	123.35	118.14	165.23	
b) Packaging products	17.69	15.05	25.11	49.05	75.42	99.43	
c) Consumer products	(1.04)	(4.32)	(7.45)	(14.67)	(15.51)	(24.33)	
d) Retail business (excluding exceptional item, refer note 6(i))	(5.29)	(3.68)	(3.91)	(11.81)	(13.92)	(14.81)	
e) Others	(0.14)	0.40	(0.18)	0.72	0.93	0.94	
Total profit before unallocable expenditure	53.86	57.11	51.72	146.64	165.06	226.46	
Less: i) Finance cost	12.87	12.16	7.56	35.48	23.95	33.36	
ii) Loss due to fire (refer note 6(i))	6.94	-	-	6.94	-	-	
iii) Other un-allocable expenditure net off un-allocable income	9.25	10.37	9.57	27.54	30.90	43.44	
Total Profit before tax	24.80	34.58	34.59	76.68	110.21	149.66	
3 Segment assets							
a) Building products	1,391.90	1,346.08	1,165.73	1,391.90	1,165.73	1,181.45	
b) Packaging products	1,395.75	1,372.12	1,394.02	1,395.75	1,394.02	1,485.77	
c) Consumer products	155.39	151.46	90.89	155.39	90.89	113.59	
d) Retail business	44.50	55.61	50.18	44.50	50.18	46.20	
e) Others	7.51	7.53	8.30	7.51	8.30	6.77	
f) Unallocated	158.44	161.10	122.42	158.44	122.42	253.85	
Total	3,153.49	3,093.90	2,831.54	3,153.49	2,831.54	3,087.63	
Segment liabilities							
a) Building products	704.97	656.81	507.53	704.97	507.53	506.21	
b) Packaging products	858.60	843.28	853.80	858.60	853.80	950.62	
c) Consumer products	121.31	120.47	49.60	121.31	49.60	61.65	
d) Retail business	28.43	48.87	50.30	28.43	50.30	36.08	
e) Others	-	0.09	-	-	-	-	
f) Unallocated (intersegment assets)	(24.19)	(24.27)	(42.05)	(24.19)	(42.05)	83.03	
Total	1,689.12	1,645.25	1,419.18	1,689.12	1,419.18	1,637.59	



**Notes:**

- (1) The above results for the quarter and nine months period ended 31 December 2017 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 29 January 2018.
- (2) The statutory auditors of the Company have carried out limited review of unaudited financial results for the quarter and nine months period ended 31 December 2017.
- (3) The Hon'ble National Company Law Tribunal of Kolkata, West Bengal, vide its order dated 4 May 2017 had approved the Composite Scheme of Arrangement (the "Scheme") between the Company and its wholly owned subsidiary Hindware Home Retail Private Limited (HHRPL), their shareholders and creditors. Pursuant to the Scheme all the properties, assets, rights, claims and obligation of the Retail Business of HHRPL (the "Demerged Undertaking") had been transferred and vested in the Company on a going concern basis with effect from the Appointed Date i.e. 1 April 2015. The impact of the Scheme had been given as business combination of entities under the common control. Accordingly, the financial information in these financial results in respect of prior periods (including earlier published results) has been restated as if the business combination had occurred from the beginning of the financial year ended 31 March 2016.
- (4) The Board in its meeting held on 10 November 2017 had subject to necessary regulatory approvals, approved the closure of its subsidiary M/s Halls International Limited, Mauritius (HILM) and this process also envisaged the closure of subsidiary/step down subsidiaries of HILM, except M/s Queo Bathroom Innovations Limited, UK over a period of time. The Board had accordingly approved impairment of investments made in the subsidiary by Rs.2.11 crore and the utilisation of Business Reconstruction Reserve (BRR) by Rs.2.11 crore pertaining to the impairment of investment in the Company's foreign subsidiary. The aforesaid utilisation against BRR is as per the Scheme of Arrangement approved by Hon'ble High Court of Calcutta vide its order dated 26 March 2010. The figures for nine months ended 31st December 2017, includes the impairment of investment in subsidiary by Rs.2.11 crore and utilisation of BRR as stated above.
- (5) The Board of Directors of the Company, in its meeting held on 10 November 2017 had approved a composite Scheme of Arrangement under section 230 to 232, read with section 66 and other applicable provisions of the Companies Act 2013 and the provisions of other applicable laws, amongst the Company, Somany Home Innovation Limited, a wholly owned subsidiary of the Company ("Resulting Company 1") and Brilloca Limited, a wholly owned subsidiary of Resulting Company 1 ("Resulting Company 2") and their respective shareholders and creditors ("Scheme"). The Scheme provides for the demerger of, (i) the Consumer Products Distribution and Marketing Undertaking ("CPDM Undertaking") and Retail Undertaking of the Company into Resulting Company 1, and (ii) the Building Products Distribution and Marketing Undertaking ("BPDM Undertaking") of the Company into Resulting Company 2. The Appointed Date for the Scheme is 1 April 2018 or such other date as directed by the Hon'ble Kolkata Bench of the National Company Law Tribunal ("NCLT"). The Scheme is subject to the approval of BSE Limited, the National Stock Exchange of India Limited, SEBI, shareholders and creditors of the Company and such other necessary approvals as may be required and sanction thereof by the NCLT. The Company has submitted request to BSE Limited and the National Stock Exchange for approval of the Scheme and their respective approval is awaited as on the date.
- (6) (i) On 17 October 2017, one of the warehouses relating to the Retail Business division had fire which resulted in an estimated loss of Rs.6.94 crore and has been duly provided in the books of accounts for the quarter and nine months period ended 31st December 2017. Insurance claims relating to these losses has been filed and the settlement amounts of insurance claims as received would be accounted for on the respective dates.  
(ii) A portion of the Company's Kaharani unit engaged in manufacturing of faucets for Building Products Division had fire on the night of 12 November 2017. The necessary surveys by the insurance company has been conducted and the unit is duly covered by insurance including reinstatement value clause. The Company is still in the process of assessment of losses in consultation with experts who are advising on the exact quantum of damages incurred. The provision against losses, if any, relating to fire would be provided upon its final assessment and lodgement of underlying claims by the company with the insurance company. Based on initial provisional estimates by the management the written down value of the assets affected by fire mainly that of part of plant and machinery/work in progress is approximately Rs.7.00 crore and value of buildings, electricals etc. affected by fire is currently under review.
- (7) According to the requirement of Ind AS and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, revenue for the corresponding previous quarter ended 31 December 2016, for the nine months period ended 31 December 2016 and year ended 31 March 2017 were reported inclusive of Excise Duty. The Government of India has implemented Goods and Services Tax ("GST") from 1 July 2017 replacing Excise Duty, Service Tax, and other various indirect taxes. As per Ind AS 18 the revenue for the quarter ended 31 December 2017, is reported net of GST. Had the previously reported respective period revenue (including nine months ended 31 December 2017) shown net of excise duty, comparative segmentwise revenue of the Company would have been as follows:

Segment revenue from operations:	Quarter ended			Nine months ended		Year ended
	31 December	30 September	31 December	31 December	31 December	31 March 2017
	2017	2017	2016	2017	2016	
a) Building products	253.78	258.28	230.04	730.27	687.78	973.42
b) Packaging products	243.26	201.69	216.74	642.56	642.28	878.37
c) Consumer products	62.10	54.60	35.22	157.35	84.84	127.70
d) Retail business	23.75	25.08	23.72	72.66	65.67	95.83
e) Others	0.06	0.63	0.07	1.37	1.61	1.79
<b>Total</b>	<b>582.95</b>	<b>540.28</b>	<b>505.79</b>	<b>1,604.21</b>	<b>1,482.18</b>	<b>2,077.11</b>
Less : Inter segment revenue	4.54	7.73	0.48	12.83	1.57	2.13
<b>Total income from operations</b>	<b>578.41</b>	<b>532.55</b>	<b>505.31</b>	<b>1,591.38</b>	<b>1,480.61</b>	<b>2,074.98</b>

(8) Previous period figures have been regrouped /re-arranged wherever considered necessary to confirm to the current quarter and nine month's classification.

Place : Gurugram  
Date: 29th January 2018



*R Somany*  
Dr. Rajendra K Somany  
Chairman and Managing Director

**Independent Auditor's Review Report**

**TO**  
**The Board of Directors of**  
**HSIL Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **HSIL Limited** ('the Company') for the quarter and nine months period ended 31<sup>st</sup> December, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016.

The preparation of the Statement in accordance with the recognition and measurement principle laid down in Ind AS-34, Interim Financial Reporting prescribed u/s 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rule, 2015 read with Circular no. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company in their meeting held on 29<sup>th</sup> Jan, 2018. 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 The Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial results are free of material misstatement. A review is limited primarily to enquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated, nothing has come to our attention that causes us to believe that the statement has not been prepared in all material respects in accordance with the applicable Accounting Standards i.e. Ind AS prescribed u/s 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognised accounting practices and policies generally accepted in India, and has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Circular No. CIR/CFD/FAC/62/2016 dated July 5<sup>th</sup>, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Attention is drawn to Note 4 to the statement regarding the utilisation of the Business Reconstruction Reserve ('BRR') to the extent of Rs.2.11 crores which was created in accordance with a scheme of arrangement (the scheme) approved by Hon'ble High Court of Calcutta. During the previous quarter and six months ended 30 September 2017, the Company has impaired its investment in a foreign subsidiary amounting to Rs. 2.11 crores and charged the same as exceptional item to statement of unaudited standalone financial results of that period (which is included in nine months results of the company ) , and withdrawn equivalent amount from BRR.

**Other matters**

5. The unaudited standalone financial results for the quarter and nine months period ended 31<sup>st</sup> Dec , 2016 are post incorporating the results of Demerged undertaking (read with note no. 3), as certified by the management and considered by the Board of Directors, have been relied upon by us for the purpose of our review of the Statement.
6. The comparative financial information of the Company for the quarter and nine months period ended 31<sup>st</sup> Dec 2016, and for the year ended 31<sup>st</sup> March ,2017 included in this statement have been reviewed /audited by the predecessor auditor. The predecessor auditor have expressed unmodified opinion /conclusion on comparative financial information/results.

Our report is not modified in respect of above matters.

**For LODHA & CO.**

Chartered Accountants

Firm's Registration No. 301051E

**( N.K. LODHA )**

Partner

M. No. 85155

Place: New Delhi

Date: 29<sup>th</sup> Jan, 2018

