

NEAPS/BSE ONLINE

10<sup>th</sup> June, 2020

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

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

Dear Sir/Ma'am,

**Sub: Submission of Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 pursuant to Regulations 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

With reference to the captioned subject, we would like to inform you that the Board of Directors in its meeting held on 10<sup>th</sup> June, 2020 has, inter alia, approved the following items:

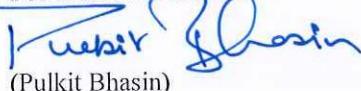
- a) Audited Financial Results including Segment wise Revenue and Results for the fourth quarter and year ended 31<sup>st</sup> March, 2020 along with Statement of Assets and Liabilities and Cash Flow Statement of the Company for the year ended 31<sup>st</sup> March, 2020, duly recommended by the Audit Committee in its meeting held on 10<sup>th</sup> June, 2020, pursuant to Regulations 30 and 33 of the Listing Regulations and the same is attached herewith.
- b) Auditors' Report on Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March, 2020 issued by M/s. Lodha and Co., Chartered Accountants and the same is attached herewith.
- c) Declaration on Auditors' Report with unmodified opinion under Regulation 33(3) (d) of Listing Regulations with respect to Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020 and the same is attached herewith.

Further, the Board has recommended payment of Dividend @ 150% i.e. Rs. 3 (Rupees Three) per equity share of Rs. 2/- each for the year ended 31<sup>st</sup> March, 2020 subject to the approval of the Shareholders at the 60<sup>th</sup> Annual General Meeting scheduled to be held on 19<sup>th</sup> September, 2020 and will be credited/dispensed on or before 29<sup>th</sup> September, 2020 to the shareholders entitled for the same.

The meeting of Board of Directors commenced at 3:15 pm and concluded at 05:45 pm.

This is for your reference and record.

For HSIL LIMITED

  
(Pulkit Bhasin)

Company Secretary

Name: Pulkit Bhasin

Address: 301-302, 3<sup>rd</sup> Floor, Park Centra, Sector-30, NH-8, Gurugram-122001

Membership No. 27686

Encl: As above

**HSIL Limited**

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Registered Office: 2, Red Cross Place, Kolkata-700001, West Bengal, India. T. +91 33-22487407/5668

hsilinvestors@hsilgroup.com | www.hsilgroup.com | CIN: L51433WB1960PLC024539

# HSIL LIMITED

REGD. OFFICE: 2, RED CROSS PLACE, KOLKATA-700 001  
 Website: www.hsilgroup.com      Email: hsilinvestors@hsilgroup.com      CIN : L51433WB1960PLC024539      TEL: 033-22487407/5668

## PART I STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020

Particulars	Standalone					(Rs. in crore)
	3 months ended 31st March 2020	Preceding 3 months ended 31st December 2019	Corresponding 3 months ended 31st March 2019	Year ended 31st March 2020	Year ended 31st March 2019	
	(Audited) Post-Scheme (Refer note 2)	(Unaudited) Post-Scheme (Refer note 3)	(Audited) Restated Post-Scheme (Refer note 3(a) & (c))	(Audited)	(Audited) Restated Post-Scheme (Refer note 3(a) & (c))	
I	Revenue from operations	489.11	471.47	1,859.07	1,504.76	
II	Other income	7.10	5.08	20.30	39.19	
III	Total income [(+)]	496.21	476.55	1,879.37	1,543.95	
IV	Expenses					
	a) Cost of materials consumed	165.19	197.48	725.67	603.68	
	b) Purchases of stock-in-trade	11.59	33.10	46.03	46.03	
	c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1.67)	(36.71)	(81.90)	7.27	
	d) Employee benefits expense	51.14	54.99	227.48	201.01	
	e) Finance cost	18.41	17.52	73.48	58.98	
	f) Depreciation and amortization expense (Refer note 5)	35.45	32.31	142.88	131.31	
	g) Power and fuel	81.97	90.36	352.28	349.20	
	h) Other expenses	97.47	80.63	318.45	270.11	
	Total expenses (IV)	460.55	465.68	1,804.37	1,621.56	
V	Profit before exceptional items and tax (III-IV)	7.58	24.51	75.00	22.39	
VI	Exceptional item (Refer note 7)	(14.00)	-	(14.00)	(2.21)	
	Less: Transfer from business reconstruction reserve	14.00	-	14.00	2.21	
VII	Profit before tax	7.58	24.51	75.00	22.39	
VIII	Tax expense					
	a) Current tax	0.96	4.30	12.94	4.97	
	b) Minimum alternative tax	(0.96)	(4.30)	(12.94)	(4.97)	
	c) Earlier year tax	4.20	8.81	26.58	3.39	
	d) Deferred tax charge/(benefit)	4.20	8.81	26.58	7.12	
	Tax expenses (VIII)	3.98	15.70	48.42	15.27	
IX	Profit for the period (VII - VIII)	3.60	8.81	26.58	7.12	
X	Other comprehensive income (net of tax)					
	(A)(I) Items that will not be reclassified to profit or loss	(10.81)	(0.24)	(11.51)	(13.34)	
	(II) Income tax relating to items that will not be reclassified to profit or loss	3.78	0.08	4.02	4.66	
	Total other comprehensive income (X)	(7.03)	(0.16)	(7.49)	(8.68)	
XI	Total comprehensive income for the period [(IX+X)]	(3.43)	8.65	19.09	(1.56)	
XII	Earnings before interest, depreciation, tax and amortization (EBITDA) [(IX+X) + (e) + (f)]	61.44	74.34	291.36	212.68	
XIII	Paid-up equity share capital (face value Rs.2/- per share)	14.46	14.46	14.46	14.46	
XIV	Other equity (excluding revaluation reserve)			964.65	949.87	
XV	Earnings per share : (of Rs. 2/- each) (not annualized)					
	(a) Basic (Rs.)	0.47	2.17	6.69	2.11	
	(b) Diluted (Rs.)	0.47	2.17	6.69	2.11	



PART II		Standalone					
		3 months ended 31st March 2020	Preceding 3 months ended 31st December 2019	Corresponding 3 months ended 31st March 2019	Year ended 31st March 2020	Year ended 31st March 2019	
Segment wise revenue, results, assets and liabilities (Refer note 10)		(Audited)	(Unaudited)	(Audited) Restated	(Audited)	(Audited) Restated	
Particulars		Post-Scheme (Refer note 2)	Post-Scheme (Refer note 3)	Post-Scheme (Refer note 3(a) & (c))		Post-Scheme (Refer note 3(a) & (c))	
1	Segment revenue from operation:						
	a) Packaging products	318.06	313.51	329.51	1,241.51	1,097.15	
	b) Building Products Manufacturing Division	180.89	138.26	141.73	610.16	499.54	
	c) Others	(32.53)	37.34	0.23	12.79	14.07	
	<b>Total</b>	<b>466.42</b>	<b>489.11</b>	<b>471.47</b>	<b>1,864.46</b>	<b>1,604.76</b>	
	Less: Inter segment revenue	5.39	-	-	5.39	-	
	<b>Total income from operations</b>	<b>461.03</b>	<b>489.11</b>	<b>471.47</b>	<b>1,859.07</b>	<b>1,604.76</b>	
2	Segment results: Profit/(s)/ loss(-) (before tax and interest from each segment)						
	a) Packaging products	35.49	44.59	64.92	153.46	89.80	
	b) Building Products Manufacturing Division	(4.17)	5.13	15.72	19.86	21.68	
	c) Others	0.75	(1.07)	(0.64)	1.18	2.16	
	<b>Total profit before unallocable expenditure</b>	<b>32.07</b>	<b>48.65</b>	<b>80.00</b>	<b>174.50</b>	<b>113.64</b>	
	Less: i) Finance costs	18.41	17.52	21.96	73.48	58.98	
	ii) Other un-allocable expenditure net off un-allocable income	6.08	6.62	8.88	26.02	32.27	
	<b>Total Profit before tax</b>	<b>7.58</b>	<b>24.51</b>	<b>49.16</b>	<b>75.00</b>	<b>22.39</b>	
3	Segment assets						
	a) Packaging products	1,655.77	1,681.03	1,541.84	1,655.77	1,541.84	
	b) Building Products Manufacturing Division	1,087.52	1,147.05	1,144.52	1,087.52	1,144.52	
	c) Others	21.42	22.20	22.22	21.42	22.22	
	d) Unallocated	103.68	143.56	129.63	103.68	129.63	
	<b>Total</b>	<b>2,868.39</b>	<b>2,993.84</b>	<b>2,838.21</b>	<b>2,868.39</b>	<b>2,838.21</b>	
	Segment liabilities						
	a) Packaging products	961.61	998.33	958.32	961.61	958.32	
	b) Building Products Manufacturing Division	634.16	705.19	612.96	634.16	612.96	
	c) Others	6.97	8.14	5.25	6.97	5.25	
	d) Unallocated	8.77	7.67	5.58	8.77	5.58	
	<b>Total</b>	<b>1,611.51</b>	<b>1,719.33</b>	<b>1,582.11</b>	<b>1,611.51</b>	<b>1,582.11</b>	



HSIL Limited		(Rs. in crore)	
STATEMENT OF ASSETS AND LIABILITIES		Standalone	
	Particulars	As at 31st March 2020	As at 31st March 2019
		Audited	Audited (Restated) (Refer note 3(a) & (c))
<b>A</b>	<b>ASSETS</b>		
1	Non-current assets		
	a) Property, plant and equipments	1,806.69	1,815.06
	b) Capital work in progress	33.00	116.71
	c) Goodwill	10.73	24.73
	d) Other intangible assets	2.27	2.50
	(e) Other intangible assets under development	-	0.06
	(f) Financial assets		
	i) Investments	11.73	20.07
	ii) Loans	16.78	12.44
	iii) Other financial assets	0.84	0.28
	(g) Income-tax assets (net)	60.12	67.89
	(h) Other non-current assets	32.07	45.75
	<b>Total non-current assets</b>	<b>1,974.23</b>	<b>2,105.49</b>
2	Current Assets		
	a) Inventories	407.98	290.67
	b) Financial assets		
	i) Investments	-	-
	ii) Trade receivables	293.04	323.13
	(iii) Cash and cash equivalents	24.94	35.51
	iv) Bank balance other than (iii) above	22.56	3.83
	v) Loans	0.02	0.18
	vi) Other financial assets	22.44	24.23
	c) Other current assets	76.64	55.17
	d) Non Current assets held for sale	46.54	-
	<b>Total current assets</b>	<b>894.16</b>	<b>732.72</b>
	<b>TOTAL ASSETS (A=1+2)</b>	<b>2,868.39</b>	<b>2,838.21</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	Equity		
	a) Equity share capital	14.46	14.46
	b) Other equity	1,242.42	1,241.64
	<b>Total equity</b>	<b>1,256.88</b>	<b>1,256.10</b>
2	Non-current liabilities		
	a) Financial liabilities		
	i) Borrowings	728.70	703.23
	ii) Other financial liabilities	18.75	21.22
	b) Provisions	8.02	6.09
	c) Deferred tax liabilities (net)	236.35	226.89
	d) Other non-current liabilities	1.81	0.89
	<b>Total non-current liabilities</b>	<b>993.63</b>	<b>958.32</b>
3	Current liabilities		
	a) Financial liabilities		
	i) Borrowings	208.73	151.99
	ii) Trade payables		
	- Due to micro and small enterprise	10.94	20.34
	- Due to others	184.28	165.38
	iii) Other financial liabilities	171.16	225.89
	b) Other current liabilities	32.84	52.51
	c) Provisions	9.93	7.68
	<b>Total current liabilities</b>	<b>617.88</b>	<b>623.79</b>
	<b>Total liabilities (2+3)</b>	<b>1,611.51</b>	<b>1,582.11</b>
	<b>TOTAL EQUITY AND LIABILITIES (B=1+2+3)</b>	<b>2,868.39</b>	<b>2,838.21</b>



HSIL Limited		
Statement of cash flows for the year ended 31st March 2020		
( ₹ in crores)		
Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Audited	Audited (Restated) (Refer note 3(a) & (c))
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before exceptional items and tax as per statement of profit and loss	75.00	22.39
Adjustments for:		
Depreciation & Amortisation	142.88	131.31
(Gain)/Loss on disposal of property, plant & equipment	(2.95)	(4.96)
Provision for expected credit loss	2.24	0.49
Bad debts written off	-	0.34
Deferred government grant	(2.92)	(2.10)
Net Foreign Exchange (Gain)/loss	26.13	6.38
Investment Income	-	(0.03)
Provision for doubtful advances	-	0.19
Sundry balances and liabilities no longer required, written back	(3.94)	(5.14)
Interest Income	(1.39)	(1.77)
Finance costs	73.48	58.98
Operating Profit before Working Capital Changes	308.53	206.08
Working capital adjustments:		
Decrease/ (Increase) in trade and other receivables	23.91	(93.28)
Decrease/ (Increase) in inventories	(117.31)	0.10
Decrease/ (Increase) in Other Assets	(9.03)	(25.20)
Increase/ (decrease) in trade and other payables	(95.02)	170.85
Increase/ (decrease) in Provision	1.01	7.38
	112.09	265.93
Income - tax paid	(5.33)	(16.31)
Net cash flows generated from (used in) operating activities after exceptional items	106.76	249.62
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment to acquire financial assets	-	(48.00)
Proceeds on sale of financial assets	-	48.03
Interest Received	0.95	2.53
Loan received /(Paid)	0.18	(0.12)
Payment for property, plant and equipment	(133.25)	(299.91)
Proceeds from disposal of property, plant and equipment	36.51	13.07
Movement in other bank balances	(19.28)	(0.12)
Net cash flows generated from (used in) investing activities	(114.89)	(284.52)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	56.77	242.12
Repayment of borrowings	(17.87)	(73.89)
Movement in short term borrowings (Net)	56.74	(138.05)
Taxes on dividend paid	(5.43)	(5.99)
Dividend paid to owners of the company	(20.75)	(28.83)
Interest Paid	(71.90)	(57.89)
Net cash flows generated from (used in) financing activities	(2.44)	(62.53)
Net Increase (decrease) in cash and cash equivalents (A+B+C)	(10.57)	(97.43)
Cash and cash equivalents at the beginning of the year	35.51	132.94
Cash and cash equivalents at year end	24.94	35.51



**Notes:**

- (1) The above financials results of HSIL Limited ("HSIL" or "Company") for the quarter and year ended 31st March 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 10th June 2020.
- (2) Figures for the quarter ended 31 March 2020 represents the balancing figures between the audited figures for the full financial years and published year to date figures upto third quarter of the current financial year.
- (3) (a) The Board of Directors of the Company in its meeting held on 10th 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, Somya Home Innovation Limited, a wholly owned subsidiary of the Company (the "Resulting Company 1" or "SHIL") and Brillco Limited, a wholly owned subsidiary of Resulting Company 1 ("Resulting Company 2") and their respective shareholders and creditors (the "Scheme"). The Scheme provided for 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 ("BPDMD Undertaking") of the Company into Resulting Company 2. The Scheme was approved by the Hon'ble Kolkata Bench of National Company Law Tribunal vide its order dated 26th June 2019, certified copy of the order dated 22nd July 2019 was filed with Registrar of Companies, West Bengal on 5th August 2019 and accordingly the Scheme has come into effect. The Scheme is effective from the Appointed Date i.e. 1 April, 2018. Accordingly due effect of the Scheme have been incorporated with effect from the Appointed Date. The Ind AS financial statements of the Company for the year ended 31st March, 2019 were approved by shareholders in its annual general meeting held on 2nd September 2019 and subsequently to give effect of the Scheme, the comparative financial statements for the quarter and year ended 31st March, 2019 have been restated. (Refer note 3 (c))

In terms of the Scheme, the equity investments of 5,00,000 equity shares of Rs 2 each fully paid made by Company into SHIL stands cancelled, and existing shareholders of the Company (i.e. HSIL Limited) have been issued and allotted fully paid up one equity share of SHIL of face value of Rs.2/- each for every one equity share held by them of the Company as on 20th August 2019 (Record Date).

- (b) The certain necessary steps and formalities in respect of transfers of properties, investments, trademark & licences, approvals and modification of charges in pursuant to the Scheme are under process.

(c) The pre-scheme result and balance sheet as at 31st March, 2019 are as under:

Particulars	Standalone (Pre-Scheme)		Consolidated (Pre-Scheme)
	Quarter ended 31st March 2019	Year ended 31st March 2019	Year ended 31st March 2019
Total Revenue (including other income)	830.31	2,739.54	2,742.25
Total Expenses (including exceptional loss)	770.18	2,631.92	2,635.06
Profit Before taxes	60.13	107.62	107.19
Profit after tax	36.19	70.45	70.02

Particulars	Standalone (Pre-Scheme)		Consolidated (Pre-Scheme)
	Year ended 31st March 2019	Year ended 31st March 2019	Year ended 31st March 2019
ASSETS			
Total non-current assets	2,209.61	2,209.61	2,208.74
Total current assets	1,351.77	1,351.77	1,353.7
<b>TOTAL ASSETS</b>	<b>3,561.38</b>	<b>3,561.38</b>	<b>3,562.44</b>
EQUITY AND LIABILITIES			
Total equity	1,514.52	1,514.52	1,512.81
Total non-current liabilities	1,030.52	1,030.52	1,030.52
Total current liabilities	1,016.34	1,016.34	1,017.11
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,561.38</b>	<b>3,561.38</b>	<b>3,560.44</b>

(4) In terms of the Scheme and post it has become effective from the Appointed Date 1st April 2018, all subsidiaries of the Company stands transferred to SHIL & Brillco Limited and as on 31st March 2020, the Company does not have any subsidiary. Accordingly preparation of Consolidated Financial Statements is not applicable.

(5) Based on technical assessments carried out by an expert in line with usage & practices, the Company had during quarter ended 31st December 2019 revised upward the useful life of certain class of Property, Plant and Equipments from 7.5 years to 15 years. The Company believes that useful life as mentioned above best represent the period over which company expects to use these assets. The aforesaid revision in useful life has been given effect from 1st April 2019, and accordingly recalculated depreciation charge for quarter and year ended 31st March 2020 has been lowered by Rs.1.84 crore and Rs.7.35 crore respectively.



(6) Few production lines attached to one furnace at Company's Bhagirathi unit engaged in manufacturing of container glass, a part of packaging products division, had a fire accident on night of 2nd January 2020. The unit is covered by insurance including Reinstatement Value ("RV") & Loss of Profit ("LOP") clause and necessary preliminary surveys by insurance company have been conducted and the company has received an interim payment of Rs.12 crore, against the insurance claim lodged during the quarter ended 31st March 2020. During the quarter ended 31st March 2020, the estimated WDV value of one machinery fully damaged by the fire and cost of restoration of other machines totalling to Rs.20.49 crore has been provided against claim receivable towards value of assets on RV basis. The company has raised an interim claim towards LOP amounting to Rs.7.66 crore based on provisional assessment of LOP till 31st March 2020. The insurance company is in the process of assessing the total quantum of claims as stated above in line with underlying insurance policy. The company will recognize and adjust the balance value of claims, upon final agreement towards assessment & settlement of claims with insurance Company. In the opinion of management there will not be any material adverse impact on this account on the state of affairs and profit of the company.

(7) The Board of Directors of the Company have approved utilisation of Business Reconstruction Reserve (BRR) by ₹14.00 crore towards Impairment of Goodwill relating to Packaging Product division during the quarter & year ended 31st March 2020 shown under exceptional item. The corresponding figure for quarter and year ended 31st March 2019 was ₹2.21 crore. The aforesaid utilisation against BRR is as per the Scheme of Arrangement approved by the Hon'ble High Court of Calcutta vide its order dated 26th March 2010.

(8) The Company has adopted Ind AS 116 "Leases" effective 1st April, 2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the standard to its leases. This has resulted in recognising right of use of lease assets and corresponding lease liabilities. The impact of adoption of Ind AS 116 on the profit for the quarter and year ended 31 March, 2020 is not material.

(9) The outbreak of COVID-19 Pandemic has caused global widespread economic disruptions leaving uncertainties with respect to severity & its impact on businesses, which currently cannot be reasonably ascertained. The Company has up to the date of approval of financial results, evaluated and factored in to the extent possible likely material events & circumstances arising from COVID-19 pandemic and their impact on carrying value of its Assets & Liabilities as at 31st March 2020. Based on current indicators of future economic conditions, the Company expects to recover carrying amount of its Assets as on 31st March 2020. The impact of any future events & developments emerging out of COVID-19 Pandemic, if any, and occurring after the balance sheet date and relating to the Assets & Liabilities of the Company as on 31st March 2020 will be recognized prospectively. Considering current market scenario and company's quality product portfolio, brand image, long-standing relationships & goodwill with its customers, suppliers and other stakeholders, Company expects that the business operations, cash flows, future revenue, assets and liabilities will sustain going forward.

(10) Post-implementation of Scheme and transfer of CPDM undertaking, Retail Undertaking and BPDV undertaking, the Company has identified following as reportable segment in accordance with the requirement of Ind AS

108- "Operating segments" :

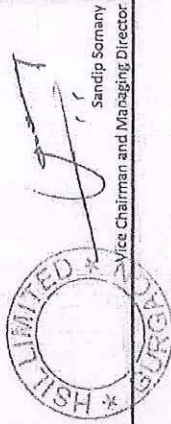
- a). Packaging Products Division : Manufacturing and supply of packaging products like glass bottles, PET bottles, security caps and closures.
- b). Building Products Manufacturing Division : Manufacturing of building products like sanitaryware, faucets, UPVC and CPVC pipes, fittings, etc.
- c). Others: Wind power generation, manufacturing of certain specified consumer products like water heaters and Others.

(11) The Board of Directors have recommended a dividend of 150% i.e. ₹3/- (previous year ₹3/-) on equity share of ₹2/- each for the year ended 31st March 2020 subject to approval of shareholders in the ensuing Annual General Meeting.

(12) The previous period/year figures have been rearranged /regrouped, whenever considered necessary.

Place : Gurugram

Date: 10th June 2020



Sandip Somany  
Vice Chairman and Managing Director



**INDEPENDENT AUDITOR'S REPORT**

To  
The Board of Directors of  
HSIL Limited

**Opinion**

1. We have audited the accompanying Statement of Standalone Financial Results of HSIL Limited ('the Company') for the quarter and year ended March 31, 2020 ("the statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"). In our opinion and to the best of our information and according to the explanations given to us, the statement:
- a) is presented in accordance with the requirements of the Listing Regulations in this regard, 2015, as amended; and
  - b) gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended 31<sup>st</sup> March, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditors' Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

Attention is drawn to:

- (i) Note no. 7 to the statement regarding the utilisation of the Business Reconstruction Reserve ('BRR') to the extent of Rs.1,400 lacs which was created in accordance with a scheme of arrangement (the scheme) approved by Hon'ble High Court of Calcutta. During the year the Company has impaired goodwill related to a Business undertaking amounting to Rs.1,400 lacs and charged the same as exceptional item to statement of standalone financial results of that year, and withdrawn equivalent amount from BRR.





- i) Note no. 9 regarding COVID-19 related lock-down/ restrictions, where management could perform year end physical verification of inventories at certain locations subsequent and near to year end. However, we could not able to physically observe the verification of inventories that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these Standalone Financial Results.

Further opinion of the management on the carrying value of assets and liabilities and COVID-19 impact on the operation as stated in the said note.

Our opinion is not modified in respect of the above matters.

### **Management's Responsibilities for the Standalone Financial Results**

The statement has been prepared on the basis of the Standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or the cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the audit of Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is the high level of assurance but, is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.



As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the Company has adequate internal financial control with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

- 1) The Statement includes the results for the quarter ended 31<sup>st</sup> March, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year.



- II) The unaudited result for the quarter 31<sup>st</sup> March 2019 as approved by the Board of directors is balancing figure between the restated audited figures in respect of the full financial year ended 31<sup>st</sup> March 2019 and the unaudited year to date management certified figures up to the third quarter ended 31<sup>st</sup> December 2018 of the previous year ended 31<sup>st</sup> March 2019. As stated in Note no. 3(a) financial statements for the year ended 31<sup>st</sup> March 2019 are restated audited figures after giving impact of the scheme approved by the Hon'ble NCLT Kolkata Bench on 26<sup>th</sup> June 2019 and effective from 1<sup>st</sup> April 2018 which has been approved by Board of Directors. The restated financial statements for the year ended 31<sup>st</sup> March 2019 are to be adopted by the shareholders.

Our opinion on above matters are not modified.

**For LODHA & CO.**  
Chartered Accountants  
Firm Registration No: 301051E



**N. K. Lodha**  
Partner  
Membership No. 85155  
UDIN: 20085155AAAACC2072



Place: Delhi  
Date: 10.06.2020

NEAPS/BSE ONLINE

10<sup>th</sup> June, 2020

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, 5<sup>th</sup> Floor,  
Plot No. C/1, G-Block  
Bandra-Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Sub: Declaration on Auditors Report with Unmodified Opinion under Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sirs,

I, Sandip Somany, Vice Chairman and Managing Director of HSIL Ltd (CIN: L51433WB1960PLC024539) having registered office at 2, Red Cross Place, Kolkata – 700 001 hereby declare that in accordance with Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Lodha & Co., Chartered Accountants (Firm's Registration No. 301051E) Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company for the quarter and financial year ended on 31<sup>st</sup> March, 2020.

This is for your information and records.

For **HSIL Limited**



**Sandip Somany**  
Vice Chairman and Managing Director  
DIN: 00053597