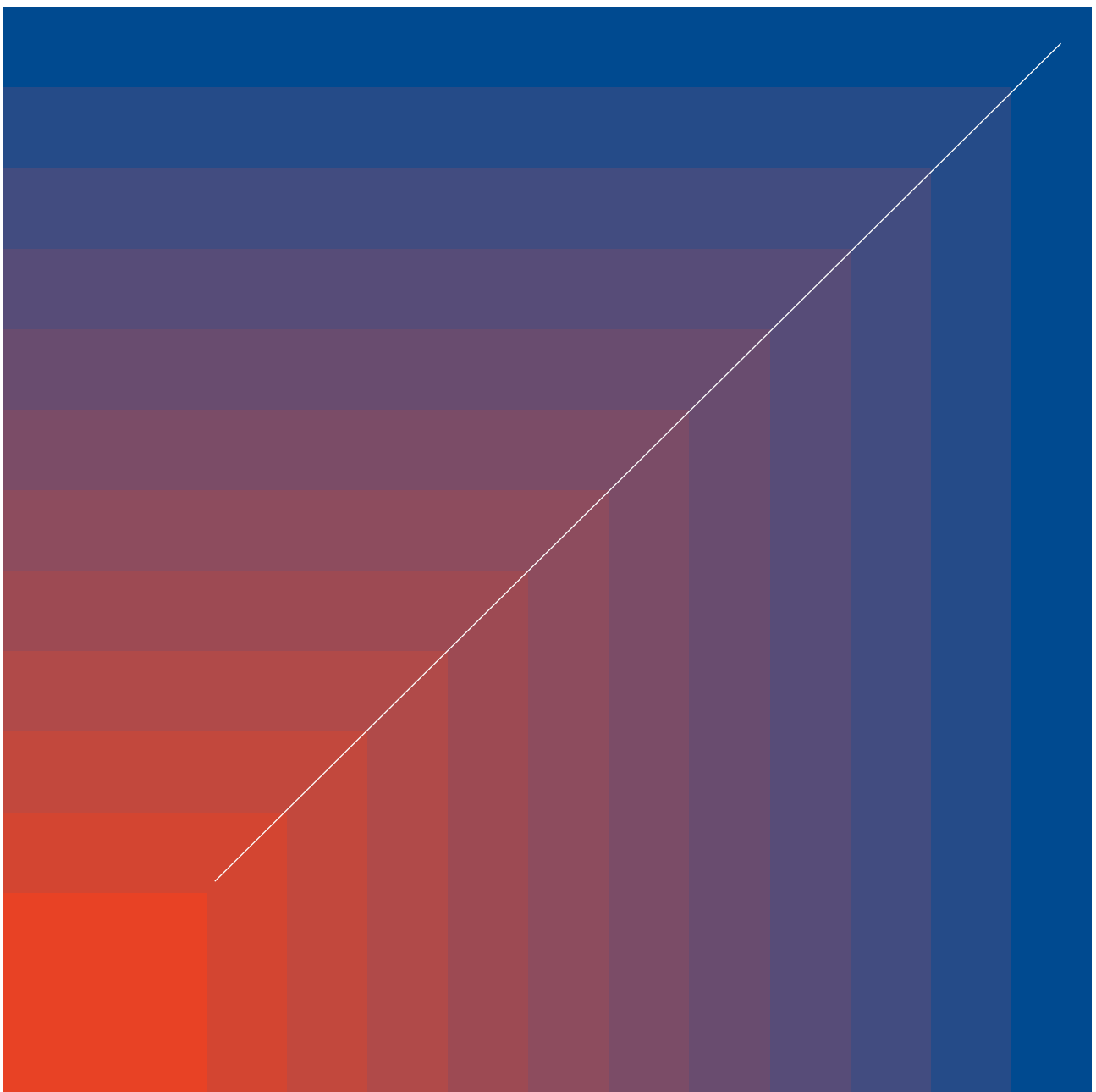
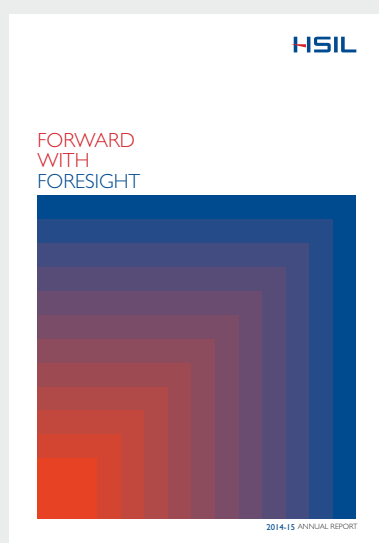


FORWARD  
WITH  
FORESIGHT



# CONTENTS



The cover visual is based on geometric progression which aptly depicts, that HSIL is moving ahead with stronger fundamentals to reach higher levels of value creation.

## 01-41

### ABOUT HSIL

- 02 Fundamentals Drive our Business
- 04 Legacy Inspires us to Innovate
- 08 Consistent Performance
- 10 Five decades of our Exciting Journey
- 12 CMD's Review
- 14 JMD's Message
- 18 Investing with Prudence
- 20 Strengthening Brand Recognition
- 22 Achieving the Turnaround
- 24 Greening our Future
- 26 Widening our Value Paradigm
- 28 Business Division Review
- 33 Social Equity
- 34 Financial Highlights
- 36 Ratio Analysis
- 38 Board of Directors

## 106-181

### FINANCIAL STATEMENTS

#### Standalone

- 106 Independent Auditors' Report
- 110 Balance Sheet
- 111 Statement of Profit & Loss
- 112 Cash Flow Statement
- 114 Significant Accounting Policies

#### Consolidated

- 143 Independent Auditors' Report
- 148 Balance Sheet
- 149 Statement of Profit & Loss
- 150 Cash Flow Statement
- 152 Significant Accounting Policies
- 180 Form AOC - I

## 42-104

### STATUTORY REPORTS

- 42 Management Discussion and Analysis
- 56 Directors' Report
- 86 Corporate Governance Report

## 182

### NOTICE & PROXY



This Annual Report is available online at:  
[hindwarehomes.com](http://hindwarehomes.com)  
[hsilgroup.com](http://hsilgroup.com)

WITH AN UNRIVALLED YOUNG POPULATION AND A RAPIDLY EXPANDING ECONOMY, INDIA IS PROGRESSING TOWARDS A BETTER, BRIGHTER FUTURE.

IT IS INVESTING IN INFRASTRUCTURE, MANUFACTURING, EDUCATION AND SOCIO-ECONOMIC PROSPERITY.

THAT MEANS, MORE INDIANS WILL BUILD THEIR OWN HOMES AND COMMERCIAL SPACES OR REFURBISH THEIR EXISTING ONES.

THAT MEANS, THE INDIAN CONSUMER WILL LOOK FOR PRODUCTS THAT CONFORM TO GLOBAL STANDARDS.

THAT ALSO MEANS COMPANIES HAVE TO BE READY TO MEET THESE DEMANDS AND DO SO SUSTAINABLY.

THEN THERE IS 'SWACHH BHARAT', MAHATMA GANDHI'S VISION OF 'SANITATION FOR ALL'. AN INITIATIVE WHICH GOES BEYOND BUILDING TOILETS, IT IS A STEP TOWARDS CHANGING BEHAVIOURAL PATTERN AND INSTILLING A HABIT OF CLEANLINESS.

At HSIL, we recognise this reality. And see a role for ourselves in this transformation. Which is why, we devoted much of 2014-15 preparing for the metamorphosis that awaits India. We invested in a new faucet plant as well as started work on enhancing sanitaryware capacities to capitalise on more opportunities. We positioned our brand as a refreshing source of inspiration for a wide customer cross-section aspiring for better living standards in tune with rising GDP and per capita income. We added differentiated products in our line of businesses and strengthened our pan-India footprint. We improved our operational efficiency and put more emphasis on water-saving techniques for sustainability. We turned around the glass business, despite market volatilities.

We strengthened our balance sheet, enhanced margin potential and created headroom for further growth. Our foresight and ability to act ahead of the curve will take us to the next altitude of growth and sustainability.

# FUNDAMENTALS DRIVE OUR BUSINESS

FOR OVER FIVE DECADES, WE, AT HSIL, HAVE CONSISTENTLY TRANSFORMED OURSELVES ON THE BASIS OF OUR ROBUST FUNDAMENTALS. THE RESULT IS THAT WE HAVE MANAGED TO GROW SUSTAINABLY IN ALL THESE YEARS, DESPITE INDUSTRY HEADWINDS AND ECONOMIC VOLATILITIES.

WE ARE NOW ONE OF THE LEADING MANUFACTURERS OF BUILDING PRODUCTS AND PACKAGING PRODUCTS (CONTAINER GLASS AND PET) WITH SIGNIFICANT BRAND STRENGTH.

## HSIL FIRSTS

**FIRST** to introduce vitreous china sanitaryware in the country

**FIRST** in the industry to have an in-house R&D facility approved by Government of India

**FIRST** Indian plant in the sanitaryware industry to receive ISO certification

**FIRST** to introduce 'star rated' water efficient water closets in the market

**FIRST** to offer over 20 new designs of certified 'water efficient' products

**FIRST** to commission a highly automated Greenfield 'faucet' plant in India

**FIRST** to receive BIS certification

---

1<sup>st</sup>

India's largest  
manufacturer of  
sanitaryware products

60<sub>mn</sub>+

Satisfied sanitaryware  
customers

1,550<sup>+</sup>

Institutional clients for  
the Building Products  
Division

3,000<sup>+</sup>

Pan-India dealer  
network for our  
Building Products  
Division

---

19,000<sup>+</sup>

Pan-India retail spread  
for our Building  
Products Division

125<sup>+</sup>

Hindware Galleries  
under Building Products  
Division

50<sup>+</sup>

New products and  
designs launched during  
2014-15

20<sup>+</sup>

Star rated water  
efficient products

---

2<sup>nd</sup>

India's second largest  
manufacturer of glass  
containers

70<sup>+</sup>

50 new glass bottles  
and 20 new PET bottles  
added to product  
portfolio 2014-15

550<sup>+</sup>

Institutional clients for  
the Packaging Products  
Division

8

State-of-the-art  
manufacturing facilities

---

40<sup>+</sup>

Export footprint

3,400<sup>+</sup>

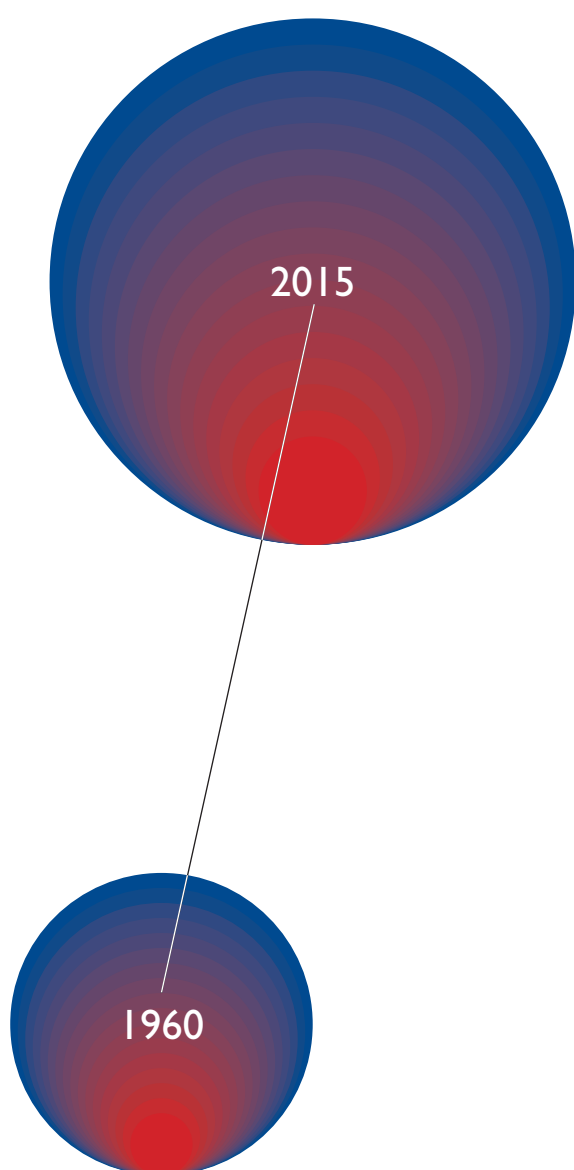
Motivated team  
members

₹ 3,257.68 Cr

Market capitalisation as  
on 31 March 2015

---

# LEGACY INSPIRES US TO INNOVATE



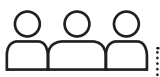
India was a very different country when we began our journey in 1960. The Somany family and Twyford's Ltd., UK collaborated to form HSIL. Opportunities were few and far between for manufacturers, and customers had very little choice. That however did not deter us in surging forward with optimism.

The Indian economy and society have radically transformed in all these years. The market for building and packaging products has now grown considerably, providing us headroom for expansion. And in all these years, our core purpose and values have helped shape our identity as a customer-oriented organisation with relentless innovation to create value.

## 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



### 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

## OUR OFFERINGS



### Building Products Division

Sanitaryware | Faucets | Kitchen Appliances  
Wellness | Extractor Fans | Allied Products



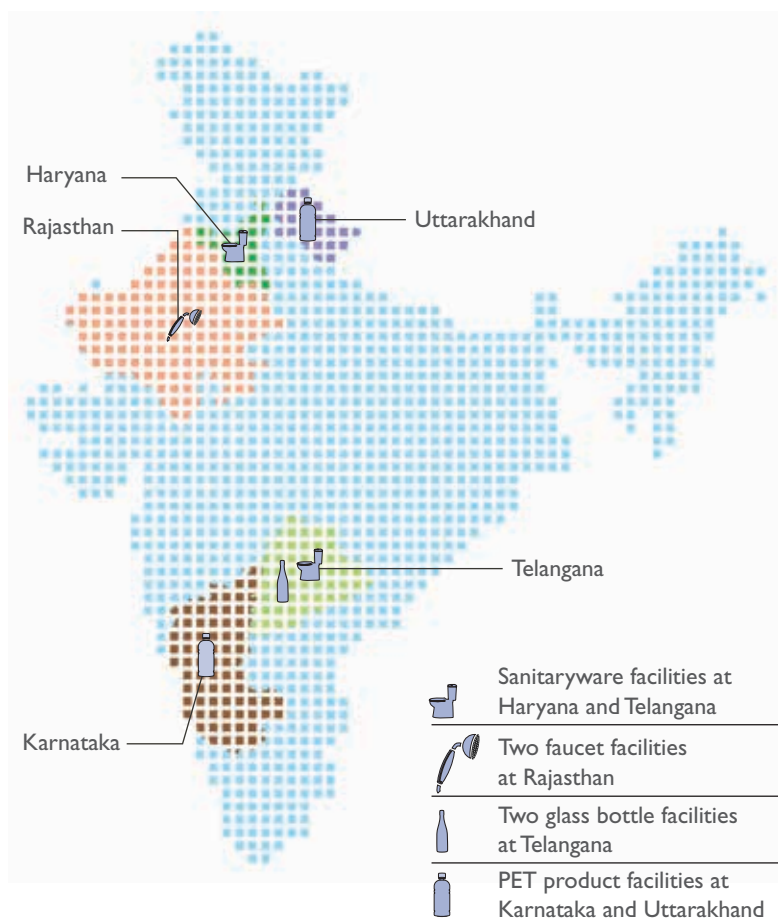
### Packaging Products Division

Glass Containers | PET Bottles





## OUR MANUFACTURING FACILITIES



## OUR CAPACITIES

### Building Products Division

#### Sanitaryware

**3.8 mm**

pieces per annum

#### Faucet

**3 mm**

pieces per annum

### Packaging Products Division

#### Glass

**1,600**

tonnes per day

#### PET

**9,500**

tonnes per annum

## OUR QUALITY ASSURANCE

- International Association of Plumbing and Mechanical Officials (IAPMO) certifications for over 20+ sanitaryware products, recognising their water efficiency
- Institute for Testing & Certification (ITC), Zlin, Czech Republic's CE certification, with reference to EN standards (European Harmonised Technical Standards)
- ISO 9001:2008 for quality management system
- ISO 14001:2004 for environment management system
- OHSAS 18001:2007 for occupational health and safety management systems

## FOR SHAREHOLDERS

- Our shares are listed on the National Stock Exchange Limited (NSE) and the Bombay Stock Exchange Limited (BSE)
- Promoter shareholding comprises 47.11% of the equity share capital
- Dividend: ₹ 3.5 per share (Face value: ₹ 2)

# CONSISTENT PERFORMANCE

## 18.21%

5-year CAGR in Net Sales

## 17.39%

5-year CAGR in total EBITDA

## 18.31%

5-year CAGR in PBT

## 14.72%

5-year CAGR in PAT

## 13.65%

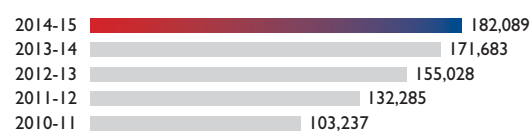
5-year CAGR in cash profit

## 10.51%

5-year CAGR in EPS

### Escalating Net Sales

₹ in lacs



Y-o-Y growth **6.06%**

### Surging EBITDA

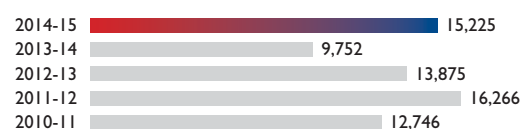
₹ in lacs



Y-o-Y growth **27.27%**

### Growing PBT

₹ in lacs



Y-o-Y growth **56.12%**