CK BIRLA GROUP

HIL

TOGETHER **WE BUILD**

ANNUAL REPORT 2018-19

With the acquisition of Parador, HIL becomes an end-to-end building solution provider from roofing to flooring. This also marks a significant milestone for HIL as it embarks on its global journey.

www.hil.in

Annual Report Formats

This annual report is available in the following formats:

Print　Online　Smartphones

To know more about us in digital mode,
scan this QR code in your QR mobile application.

From being an Indian Superbrand to an emerging Global Brand.

Embarking on a journey to conquer new and foreign territories, HIL's innovative, cutting-edge and eco-friendly business synergies, is well on its way to ace expansion and empower growth.

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BELIEF

Over the last few years, we had set some targets for ourselves at HIL, which were successfully met last year through organic and inorganic growth. Considering the speed and the new momentum built in HIL, we re-visited our stated goals and guiding principles to set higher, aspirational targets for ourselves. With an extensive workshop involving senior management and key stakeholders, we updated our Vision, Mission and Values, to support our ambitions better.

VISION

To be a leading, global, innovative, and eco-friendly, building and infrastructure solutions company and create sustainable value for our stakeholders.

MISSION

a) To deliver a diversified portfolio of eco-friendly products and solutions fueled by innovation

b) To build a strong corporate brand present across all continents

c) To digitalize processes end -to-end for business excellence

d) To be a diverse workplace that is a preferred employer

...while continuing to meet our highest standards of, quality, corporate social responsibility, safety, health and environment.

VALUES

Innovation
Embed innovation in organizational processes at all levels

Respect
Care and respect for all stakeholders

Accountability
Complete ownership and responsibility of outcomes

Teamwork
Together we build the success of ONE HIL

Integrity
Being ethical and honest in our behavior

Excellence
Strive to achieve highest standards of performance

Team photograph at Off-Site

EXPANDING BOUNDARIES

Our vision of moulding HIL into a global building material solutions provider is a step closer with the acquisition of Parador. Along with expanding our product-mix into flooring solutions, we are looking at leveraging the trade relationships and market understanding of Parador to strengthen our business position. Parador brings best-in-class technology, brand equity, market access and will complement HIL's growth aspiration going forward.

Mr Dhirup Roy Choudhary, Managing Director & CEO

Parador Holdings GmbH, Germany founded in 1977, is a Germany based, vertically integrated, full-range manufacturer and distributor of flooring solutions including resilient floor coverings, laminate and engineered wood floorings, wall and ceiling panels, skirtings and related accessories. The in-house design capabilities further provide an unmatched value-proposition to its clients.

The combined business of HIL and Parador makes HIL a stronger, intelligent, integrated and a globally recognized entity.

Parador in numbers

₹ 662 Crores
Parador's Enterprise Value

₹ 726 Crores
Parador's net revenue for 7 months

₹ 64 Crores
Parador's EBIDTA for 7 months*

₹ 273 Crores
Debt funding from India

₹ 306 Crores
Debt funding from Europe

40+
Years of existence

2
Manufacturing units at Germany and Austria

5
Product Categories

80+
Countries of market presence

*Before one time acquisition cost.

Office of Parador in Gussing, Austria.

Office of Parador in Coesfeld, Germany.

CHAIRMAN'S MESSAGE

CK Birla
Chairman

DEAR SHAREHOLDERS

HIL has consistently anticipated the evolution of customer requirement while continually innovating its product offering in accordance.

Over the past seven decades, HIL has evolved as a company focused on realising opportunities in the $126 billion Indian building material industry. Over time HIL has learnt to continuously innovate its product offerings, leverage technological advancements and be prepared to accommodate the changing needs of our customers and keep pace with a very dynamic business scenario. The consistent growth of our building materials business is a testament to HIL's resilience and ability to continuously reinvent itself and adapt to the challenges posed by a rapidly evolving business environment.

It's my pleasure to share with you that amidst several headwinds, FY2019 has proved to be another good year. HIL has not only embraced new tools, techniques and opportunities without compromising on customer satisfaction and employee engagement. This has enabled HIL to grow and deliver strong performance on many fronts including achieving record revenues and profit in the past financial year.

With the acquisition of Parador, the German flooring company, HIL commenced its global journey towards becoming a one-stop shop for all Building Material needs. Amidst various accolades, your MD & CEO, Dhirup Roy Choudhary was recognised by the Economic Times with "The Most Promising Business Leader of Asia Award" in 2018.

As a company, HIL is dedicated to endorsing and upholding the highest standards of governance and have adopted and implemented appropriate structures and policies to ensure the same. I strongly believe that these robust values and practices will continue to drive HIL's sustainable growth and make an impact to the societal growth at large.

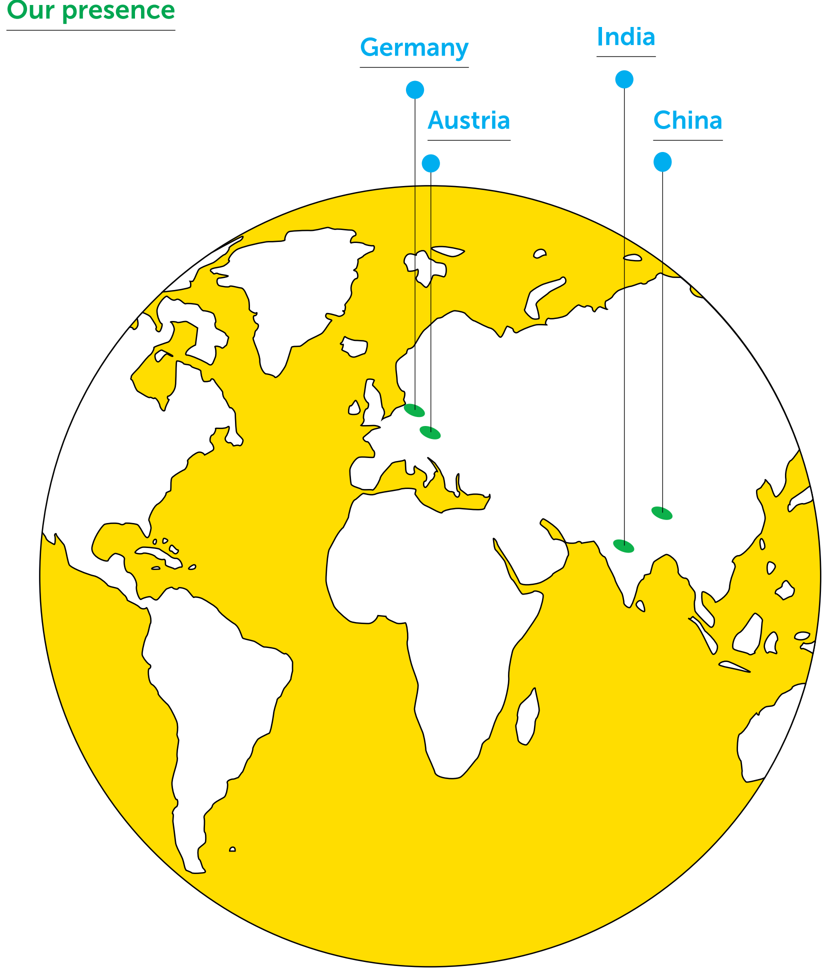
Moving forward, I am confident that we will continue to uphold this spirit, break records, and continue to instil confidence among our stakeholders. HIL enjoys a strong presence in the industry and is capable of becoming a market leader and trendsetter in this dynamic market. The energy, spirit and adaptive approach we've brought, augmented by the resolute commitment and efficiency of our employees and channel partners, will certainly help us maintain our leadership position and grow our global presence in coming years.

Thank you to all of you, our shareholders, for your trust and confidence in HIL. Your support goes a long way in inspiring us to deliver business excellence and a strong financial performance.

HIL TODAY

Over the last seven decades, HIL has cemented its leadership in the building material space in India. **Charminar**, with its rich legacy, is the leader in the roofing segment and has launched an innovative eco-friendly range of **Charminar Fortune** cement sheeting products. **Birla Aerocon** dominates the building solutions segment and **Birla HIL Pipes** and **Wallputty** stand strong and are rapidly growing in their respective markets. With the acquisition of **Parador**, we are an emerging global building materials player, with a worldwide network, well-positioned to capitalize on the long-term opportunities in global markets. **HYSIL** maintains its leadership position in its thermal insulation category.

Our presence



Employees and Associates

Over 4850+

India - **4400+** Overseas - **480+**

Manufacturing facilities

23

India - **21** Overseas - **2**

Gross Block (₹ Crores)

1016

India - **656** Overseas - **360**

Revenue from Operations (₹ Crores)

2208

India - **1482** Overseas - **726**

PAT (₹ Crores)

101

India - **101** Overseas - **(0.12)**

EBIDTA (₹ Crores)

282

India - **222** Overseas - **60***

Net worth (₹ Crores)

637

Cash and cash Equivalents (₹ Crores)

64

India - **8** Overseas - **56**

Shareholders Dividend paid for last 5 years (₹ Crores)

94

India - **94**

Note: Overseas figures for 7 months *Before exceptional item

With our updated vision, renewed strategies and latest acquisition, HIL today is a trendsetter and moving towards newer avenues. Our acquisition of Parador widens our capabilities manifold while expanding our global footprint. The market leadership and unique business model of both the entities bring on table a semblance of futuristic growth for the company.

Capabilities that drive value

Unique business model

HIL is the only building solutions company today which covers end-to-end building material solutions requirement, from roofing, plumbing, walling to flooring.

#1

India and Germany in our established markets

Experienced leadership team

The leadership team at HIL boasts of more than 375 years of experience within them . They continue to drive the Company towards success and build a stronger HIL.

25 years

Avg experience of leadership team

Driving business synergies

HIL has strategically expanded its business portfolio aligning each new vertical to the overall business, empowering its customers with complete solutions under one name. The recent acquisition of Parador – A leading wooden flooring solutions brand, provides cross-synergies for exponential growth.

₹580 Crores

Consideration paid to acquire Parador

Financial stability

HIL continues its business expansion deriving profitability and margins coupled with a low gearing of 0.92, validating the strength.

0.92

Gearing ratio as on March 31, 2019

9%

Profit Margin* for the year 2018-19

Always inventing

HIL's design and innovation capabilities play an integral part in its future growth. Our in-house R&D team works towards new products development across all business segments.

7

New products launched in the last three years by HIL

*Before exceptional Items

HIGHLIGHTS

A SUMMARY OF THE YEAR UNDER REVIEW

HIL goes Global

HIL's acquisition of Parador Holdings GmbH, a Germany based, vertically integrated, full-range supplier which designs, manufactures and distributes a wide range of flooring solutions including resilient flooring, laminate and engineered wood floors, wall & ceiling panels, skirtings and related accessories has been a major highlight this year for us.

MD and CEO recognized for his contributions by Economic Times

Dhirup Roy Choudhary, Managing Director & CEO, HIL Ltd. has been conferred with the prestigious 'Most Promising Business Leader in Asia Award 2019' by The Economic Times on Jan 17, 2019 in Hong Kong. He recieved this coveted award for leading and shaping the business demographics for HIL, India's leading and Asia's most trusted building material company.

Renamed Birla Aerocon Pipes and Wallputty to Birla HIL

Re-named our Birla Aerocon Pipes and Wallputty under a new category of Polymer Solutions as it better defines the segment. Both Pipes and Wallputty have been renamed as Birla HIL to help leverage on the brand equity that Birla and HIL have in the market which will help further enrich our end to end building material portfolio.

China Joint Venture

Parador (Shanghai) Trading Co., Ltd, China [Joint Venture of Parador GmbH, Germany (Subsidiary of HIL Limited, India)] has opened its showroom in Shanghai which was inaugurated by our MD and CEO. The JV boasts of state-of-the-art digitally driven distribution system for premium wooden products of Parador. We also participated and displayed Parador product range in "Domotex", one of the largest wooden flooring exhibition. This is a strategic step towards enhancing the business and will help Parador to expand its business progressively in China.

Inauguration of Parador showroom in Shanghai, China

Certified Great Place To Work®

Great Place to Work® is the global authority in creating, assessing and identifying the Best Workplaces world over. They have identified HIL as a great place to work for the year 2019-20.

Women – our strength

HIL announced a pioneering special medical leave policy focused towards their women employees, which allows them to take one additional medical in a month. With this initiative HIL becomes the first construction company in India to bring such an initiative and offer one additional day leave per month for the comfort of a woman working for their organisation.

Growing Brand Awareness

HIL's first ever association with IPL

HIL's association with leading team of Indian Premier League, Chennai Super Kings (CSK) was capitalized with its marquee players including the legend M.S. Dhoni who introduced the products and presence of HIL to the world with our first ever TV commercial across key TV channels. We generated media presence worth over 122 Crores with our association with CSK.

Birla HIL Pipes expanding its presence

Birla HIL pipes, the green building solution brand from the house of HIL Ltd., launched a new television commercial campaign 'Naam Birla Dekhke Lena'. The TVC showcases the promise of the brand Birla behind the superior quality of Birla HIL pipes.

Charminar's devotional journey

Our legacy superbrand Charminar had a constructive collaboration with worlds devotional event, Ardh Kumbh which takes place once in 6 years and attracts large number of target consumers for our sheeting business.

HIL's most innovative product - Charminar Fortune

Charminar Fortune launched in the year 2018 has expanded its presence rapidly across the country and has consolidated its presence in institutional sales segment and has been also launched in retail market in Kerala.

Giving back to society

Spreading Awareness

HIL launched a campaign for Diwali 'Kamli ka School'- encouraging people to share leads of schools that need renovation. In line with the brand philosophy of HIL – "Together, We Build", the campaign highlights the hope and enthusiasm of children in rural India towards education. Set against the backdrop of Diwali, the campaign captures the story of a girl named Kamli and how she is up for a surprise after she comes back to school after the Diwali holiday.

Spreading Happiness

This year Birla HIL Putty Team acknowledged the painters by making their Diwali special and painting their houses, treating them to a good lunch and giving them Diwali presents.

Scan the QR code or visit https://youtu.be/9qsUUY5zdnA to view full video

Our brands

Roofing Solutions

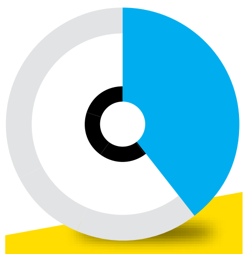
CHARMINAR
Charminar Fortune

Products

- Fibre Cement Sheets
- Next Gen non-asbestos corrugated roofing sheets
- Coloured steel sheets

874

Revenue in 2018-19 (₹ Crores)



40%

of total revenue

Building Solutions

BIRLA AEROCON
HYSIL

Products

- Block Jointing Mortar
- Sandwich Panels
- AAC Blocks
- Boards
- Calcium Silicate Insulation

363

Revenue in 2018-19 (₹ Crores)

16%

of total revenue

Polymer Solutions

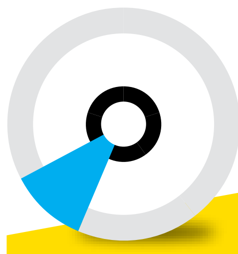
BIRLA HIL PIPES & PUTTY

Products

- Wall Putty
- CPVC & UPVC Pipes & Fittings
- SWR Pipes and Fittings

233

Revenue in 2018-19 (₹ Crores)



11%

of total revenue

Flooring Solutions

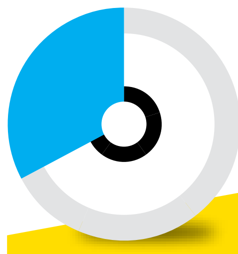
PARADOR

Products

- Engineered Wood Flooring
- Laminate Flooring
- Resilient Floor Covering

726*

Revenue in 2018-19 (₹ Crores)



33%

of total revenue

* For 7 Months

MD'S MESSAGE

Dhirup Roy Choudhary
Managing Director & CEO

At HIL, we remain committed to build an entity on creating value for a larger stakeholder community.

DEAR SHAREHOLDERS

The year 2018-19 has been fulfilling for HIL, witnessing us reinforce our position as the leader in the Indian building materials segment, while starting our global journey. The results achieved reflect strong organic growth combined with expansion of our product basket and our geographic presence. One of our biggest highlights of the year under review was the acquisition of Parador, which helped us foray into international market and explore new growth opportunities.

From a macro perspective, the industry has shown signs of growth in the last year but continues to get impacted by rising raw material costs. However, we are optimistic for positive growth in the industry, especially with launch of a number of ambitious infrastructure government schemes. Particular focus on real estate, industrial parks and corridors, technological hubs known as smart cities, logistics network and 'Housing for All 2022' will boost the building material segment.

We are fully confident about our product offerings as well as our ability to seize opportunities from diverse but relevant quarters both in India and abroad. The topline revenue growth of 66% and bottomline (PAT) growth of 39% achieved by the company during the year (with 7 months considered numbers of Parador) is a result of spirited efforts put in by our entire team across different business units.

HIL continued to execute its strategy of moving up the value chain by expanding its offerings and capabilities. Our focus on emerging as a complete building material solution provider over the couple of years has enabled us to remain at the forefront of delivering superior customer experience. We restructured our strategic focus to grow profitable customer base, diversify revenues streams with the introduction of new and improved products, expand our presence in different geographies and focus on brand-building both as a corporate and individually for the brands.

In our second year of association with IPL and Chennai Super Kings, we have gained tremendous traction as a brand. As Chennai Super Kings emerged as champions and runners up in the two seasons of our association, HIL as a brand value has increased, gaining trust amongst a larger stakeholder community.

Our rebranding of Birla Aerocon to Birla HIL Pipes was a successful transition, bringing all our products under one umbrella brand. This was communicated through a successful TVC, which was acclaimed and awarded with the prestigious Abby Awards 2018.

The green roofing offering, Charminar Fortune continued to grow since its launch last year, gaining market presence steadily with a increasing acceptance among the consumers. Going forward, its distinctive product qualities will help drive the demand and increase market share as well. Innovation will continue to be a differentiating factor for HIL and ensure our pride of place as a high quality building materials solution provider. We will also continue to invest in developing new and innovative products and along with further improvement in our existing product basket. This has led to a much better ratio of non-asbestos products in our portfolio.

At HIL, we remain Focused to build an entity on creating value for a larger stakeholder community. We communicated our efforts towards strengthening rural education with a short film - Kamli, that was acknowledged and appreciated. It gives me immense pride to inform that our company has awarded and recognised as 'Great Place to Work' in the first year of application. This validates our strong work culture built around a passionate team that resonate 'One HIL' philosophy.

Finally on behalf of the Board, I would like thank every stakeholder of HIL for their efforts, contributions and continued support; and would look forward for such support and faith in the coming years.

VALUE-CREATION

OUR STAKEHOLDER VALUE-CREATION MODEL

Customers

HIL aims to deliver high quality and cost-effective products and solutions that are dependable, innovative and eco-friendly. We strive to continuously enhance customer satisfaction by providing one-stop solution for all building material needs and taking into consideration the customer feedbacks.

VN Subramanian
Vice President DRA Group of Companies

We have a long standing relationship with HIL and we prefer using BIrla Aerocon AAC Blocks for our projected as the use of Aerocon AAC blocks helps bring down the RCC work cost by 20 to 30 % and the overall finish is much neater.

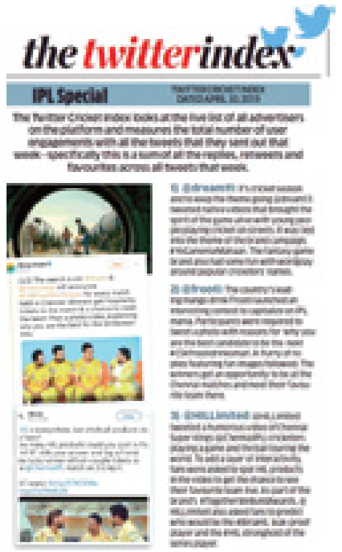
The Birla Aerocon suppliers team actively extends support at the construction site by guiding the masons in laying and cutting the blocks to prevent wastage at no extra charge. So, we consider team Birla Aerocon as a consulting partner who assist us to complete construction with no hiccups.

Media

HIL aims to keep all its stakeholder informed of the updates from time to time and believe media an important role mode in communicating the same.

Business Standard

HIL Ltd. delivers strong financial performance in FY'19 with a global acquisition."



Employees

As employees form an integral part of the organization for sustained growth, we strive to create a work environment that fosters high performance and provides equal rights and opportunities. Our eco-system is integrated with a culture that provides career development and growth opportunities. We have stepped up our efforts towards building a diverse employee base with focus on empowering women employees.

Naresh Miryala
Lead Secretarial

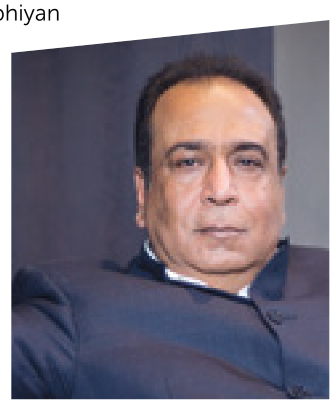
HIL is definitely an amazing place work with, especially for those who continuously look out for challenges. Throughout my tenure with HIL, I have experienced an open and supportive culture, where everyone is encouraged to be part of cross functional teams. This indeed helps in expanding our learning horizons working with this upbeat, knowledgeable, experienced and enthusiastic team of professionals. Time flies while working with HIL as you definitely get to enjoy your work and the company of an awesome team.

Community

At HIL, we aim to minimize the impact of our operations and strive towards improvement and upliftment of communities through our multiple initiatives. Our community programs are aimed to improve access to education, healthcare and sanitation.

Manoj Arora
President 'Vanvasi Raksha Parivar Foundation', Ekal Abhiyan

We run 'Sanskar & Shikha Kendras' providing education to lakhs of tribal children across the country. HIL has been associated with us since last 2 years and have contributed considerably for the upliftment of most deprived people in rural India. We thank HIL for their continuous support.



Channel Partners

HIL is proud to have a strong network of distributors and Channel Partners that have been associated with us for decades. Today HIL stands strong with a network of over 2500 loyal stockists and distributors and 5500+ dealers in India.

Rahul Traders
CHARMINAR ROOFS

I am confident that good things will come from this association with CSK team as this has given my business much growth in the past few months.

After attending the event I would also like to share an incident that is a result of this association with CSK:

One of our retailer MD Shokait, Piplawa (Patna) was asking about the TV Ad and I explained that the Ad is a result of the association HIL has with CSK and that we are official sponsors of the cricket team and this was an effort for Brand Awareness as well. This made the retailer convert immediately without further questions and is now doing business with us for Charminar products.

Champion Enterprises
CHARMINAR ROOFS

We are super thrilled with HIL - CSK partnership as this has tremendously increased our brand value in the market. It is indeed a proud moment to see the CSK team with company brands on jerseys and Ad. We are getting a good response from market in terms of increased number of orders and benefits from our retailers and end consumers. We are very proud to be part of HIL as their distributor since long time.

Rakesh Jangid
BIRLA AEROCON BLOCKS

We are proud to be associated with one of the most reputed brand in India. We are connected with HIL for almost 20 years & it has been a rewarding experience. We get full support from the sales team and the technical team works as a partner with us and ensure proper installation at the site. Thanks to the association made with CSK, it has positively impacted our business in many ways.

Shri Laxmi Tube Co.
BIRLA HIL PIPES

I've been associated with HIL for over 4 years now and it has been a great journey with superior quality and differentiated product offering and a highly talented team to support.

I'm proudly associated with HIL and wish to continue this successful journey in future also.

Banking Institutions

HIL operates in multiple geographies with several different licenses and regulations to be complied. As an entity, we have built a framework to perform our operations seamlessly and ensure compliance with all laws and regulations within the areas we operate.

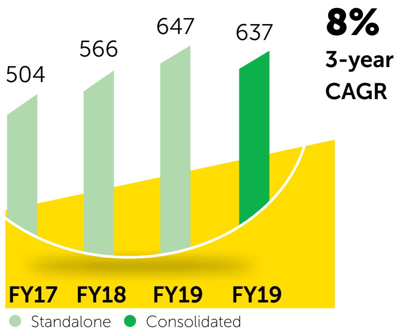
Kotak Mahindra Bank Limited

In our dealings with HIL, we have found HIL to be transparent, approachable, and proactive. We congratulate the HIL Team for their success and look forward to continue as their banker in their growth journey.

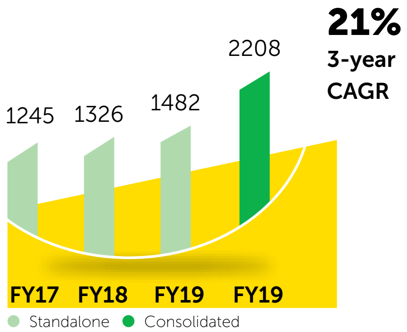
FINANCIALS

SUSTAINING GROWTH, CONSISTENTLY!

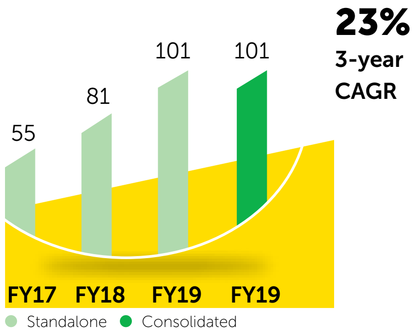
Net worth
(₹ Crores)



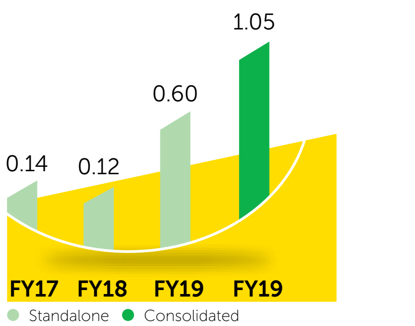
Revenue from operations
(₹ Crores)



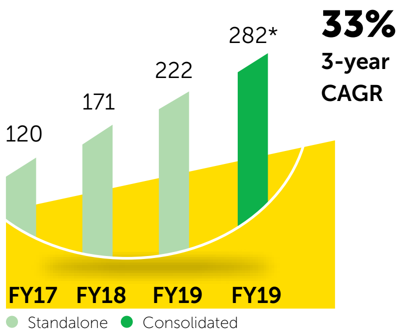
PAT
(₹ Crores)



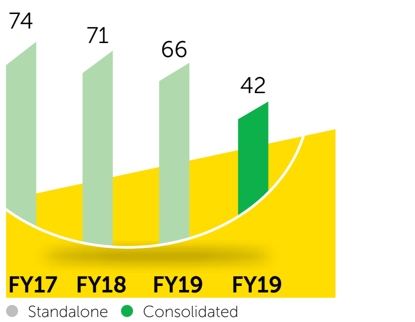
Debt-equity ratio
(in times)



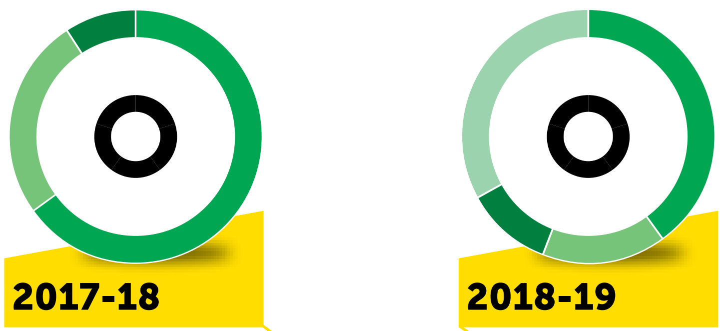
EBIDTA
(₹ Crores)



Share of asbestos
% to Total Revenue



Revenue mix
(₹ Crores)



	2017-18	2018-19
Roofing solutions	65%	40%
Building solutions	26%	16%
Polymer solutions	9%	11%
Flooring solutions#	-	33%

Note: CAGR Growth calculated on consolidated performance for 2018-19

*Before one time acquisition cost

Post acquisition of Parador

Intellectual Capital

₹11.20 Crores spent towards R&D during 2018-19

SUPERBRAND title was conferred on us and we ranked amongst the top 20 of all other SuperBrands across all categories in India

Launched research based **GREEN SOLUTIONS** to strive towards providing eco-friendly products to our customers

Social & Relationship Capital

2000 Villages impacted through our CSR activities

Maintained our Long Term – Fund base rating by **ICRA at AA- / Stable** in India

₹2.05 Crores contributed towards social and economic benefits

Manufacturing Capital

₹175 Crores invested as capex in last three years

Entered into **FLOORING SOLUTIONS** segment with acquisition of Parador

Manufacturing facilities in **3 counties** with **23 plants**

Natural Capital

"Five-way green" philosophy helps us to ensure that our products and processes are environmentally friendly.

10% of our energy needs are sourced from renewable resources.

Parador is a partner for **'Plant-for-the-Planet'** Foundation, which is active worldwide for afforestation and climate protection.

Brand Capital

₹43.7 Crores Investment in Brand Awareness and Affinity

122.8 Crores CSK sponsorship Media Value Delivered

4+ Crores Number of People reached with our Television Commercial

Financial Capital

₹ 203 Crores cash from operations, an improvement of 22% over 2017-18

₹ 222 Crores EBIDTA, an improvement of 30% over 2017-18

22% dividend payout ratio for 2018-19

Note: All the above figures are on Standalone basis

DIVERSE PORTFOLIO

DRIVING ACCELERATING GROWTH

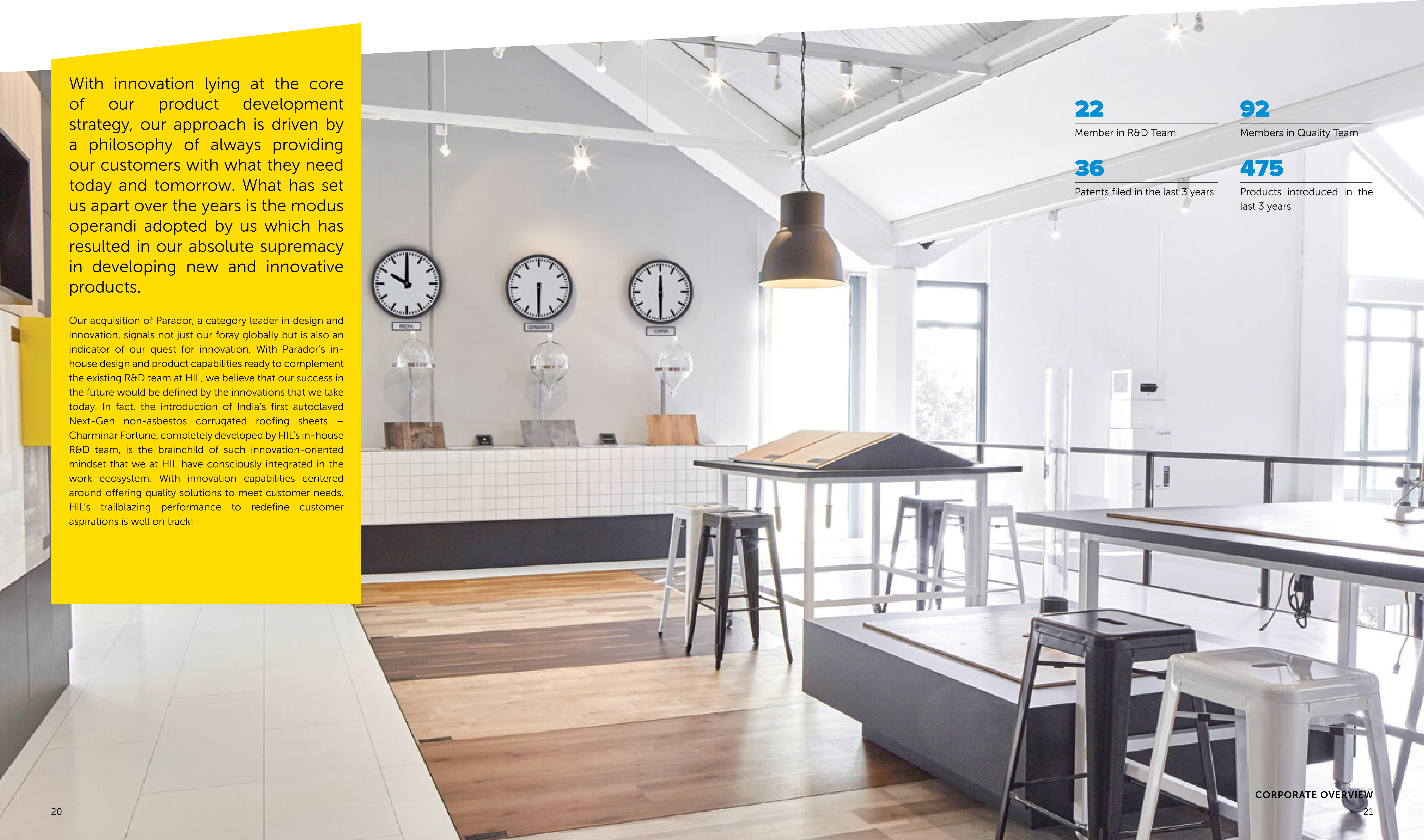
We have consistently ensured that our customers' demands are met and this commitment has helped HIL to sustain its market domination in the Indian building materials industry. Our accelerated growth has been achieved by developing a diversified product portfolio that could cater to various needs and budgets across a wide range of customers. Over the years, we have developed an extensive range of high quality building material solutions that have been pivotal in our journey of growth and expansion.

Our offerings

	Major products	Manufacturing facilities	Capacity per annum
Roofing Solutions (CHARMINAR)	Fibre Cement Sheets	6	1078000 MT
	Coloured Steel Sheets	2	27600 MT
Eco-Friendly Roofing Solutions (Charminar Fortune)	Next Gen Non Asbestos corrugated roofing sheets	1	33600 MT
Building Solutions (BIRLA AEROCON)	Sandwich Panels	2	78000 MT
	Fly Ash Blocks (AAC)	4	8.25 Lacs CuM
	Block Jointing Mortar	1	12000 MT
	Boards	1	165000 MT
Polymer Solutions (BIRLA HIL PIPES & PUTTY)	WallPutty	1	165000 MT
	CPVC, UPVC & SWR Pipes and Fittings	3	24176 MT
Flooring Solutions (PARADOR)	Flooring Materials	2	15 M Sqm
Thermal insulation (HYSIL)	Calcium Silicate insulation	1	8000 MT

INNOVATION

TO REDEFINE CUSTOMER ASPIRATIONS!



With innovation lying at the core of our product development strategy, our approach is driven by a philosophy of always providing our customers with what they need today and tomorrow. What has set us apart over the years is the modus operandi adopted by us which has resulted in our absolute supremacy in developing new and innovative products.

Our acquisition of Parador, a category leader in design and innovation, signals not just our foray globally but is also an indicator of our quest for innovation. With Parador's in-house design and product capabilities ready to complement the existing R&D team at HIL, we believe that our success in the future would be defined by the innovations that we take today. In fact, the introduction of India's first autoclaved Next-Gen non-asbestos corrugated roofing sheets – Charminar Fortune, completely developed by HIL's in-house R&D team, is the brainchild of such innovation-oriented mindset that we at HIL have consciously integrated in the work ecosystem. With innovation capabilities centered around offering quality solutions to meet customer needs, HIL's trailblazing performance to redefine customer aspirations is well on track!

22
Member in R&D Team

92
Members in Quality Team

36
Patents filed in the last 3 years

475
Products introduced in the last 3 years

PEOPLE

OUR DRIVING FORCE FOR IGNITING PROGRESS.

At HIL, we believe that greater diversity, inclusion and gender balance leads to a rewarding and successful workplace. This has helped us make HIL a great place to work.

Great Place to Work

HIL believes that happy, commited and driven employees make a company a great place to work and increase efficiency. This motivates employees to further give their best and feel like a part of the HIL family. We firmly believe that this feeling of ONE HIL has helped us in being awarded as 'Great Place to Work' Certification valid from April 2019 to March 2020.

Great Place to Work® is the global authority in creating, assessing and identifying the Best Workplaces world over. Every year, more than 10,000 organisations from over 60 countries partner with Great Place to Work® Institute for assessment, benchmarking and planning actions to strengthen their workplace culture. In India, more than 900 organizations applied to Great Place to Work® Institute to undertake the assessment this year, making it the largest Study in the space of Workplace Recognition. The Institute uses 2 lenses to evaluate and identify the best cultures. The first lens measures the quality of employee experience through their globally validated survey instrument known as Trust Index©. The second lens is called Culture Audit©, a proprietary tool of the Institute that evaluates the people practices of an organisation, covering the entire employee life-cycle.

Engaging work culture

HIL is committed towards building a culture which attracts best talent in the industry. We believe it is important to empower employees, have transparent and open communication across the organization. Thus, we have set up a 'MD connect portal' through which employees can connect with the MD directly to share their views and opinions. We conduct quarterly town hall meetings to share the performance of the company with all employees across geographies and strata.

Additionally, our JOSH team aims at bringing employees together and infuse energy at the work place through variuos fun activities that are held throughout the year.

Parador Office

Celebrating Family Day

To engage with employees and their families HIL organizes social gatherings from time to time to foster the spirit of togetherness.

Family day celebrations at Faridabad

Painting Competitions

HIL believes in encouraging the artistic minds. To acknowledge their creativity, we host painting competitions for all our employees and their family members, with the theme of "Together, we build". The activity was judged by the Group CHRO and our MD. The Calendar of 2019 was inspired by this activity and featured some of the best painting from the competition.

Calendar showcasing paintings by our employees and their families.

Fun Friday's

Every month one Friday is earmarked for fun activities, birthdays celebration and entertainment for energize the employees and bring in a connect between variuos teams.

Corporate Office, Hyderabad

PEOPLE

OUR DRIVING FORCE FOR IGNITING PROGRESS.

Empowering women in the organisation

We believe that diversity and inclusion bring business merit in company's performance and improves morale of employees. To enable this culture within the organization, we are committed to grow the ratio of female employees to our total employees count.

We celebrated women's day in the corporate office with a video that was made to show our take on the theme #BalanceForBetter.

Maternity Benefits

We extend the benefits and comfort to our women employees by framing a cohesive maternity leave policy. A paid maternity leave along with flexi-working hours for a stipulated period of time post joining, helps the employee keep a proper work-life balance.

Super Women Award

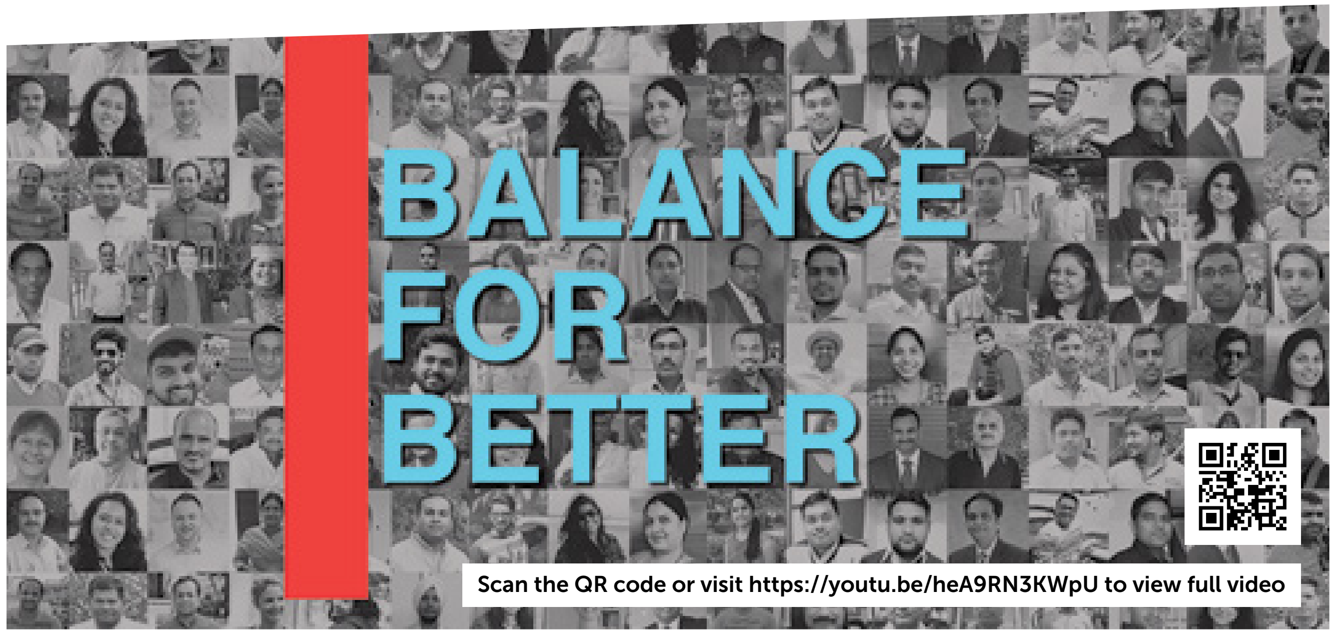
The Super Women award is to recognize and thank our top performing women employee's for their contributions to the Company's success and achievements.

Improving gender diversity

We have implemented a new methodology where the entire recruitment process gives special focus to shortlisting and recruiting female candidates. We have taken it upon ourselves to hire 20% female employees in the first 3 reporting levels by March 2020 from the current levels of 15%.

Number of Women Employees in HIL have doubled in 2018-19 vs 2017-18


Women's Day talk by Rajalakshmi Jayaraman at Radisson



Scan the QR code or visit https://youtu.be/heA9RN3KWpU to view full video

Wedding Policy

Employees who are getting married and employees whose children are getting married receive a gift card from HIL as they enter a new phase in life.

New Born Baby Policy

Employees who have become new parents are sent a Gift Card from HIL as they enter a new phase in life.

Academic Excellence Policy

HIL takes pride in the achievements of their employees children. Any child securing 90% and above in the 10th standard and 12th standard receives a gift card of ₹ 10,000 and ₹ 15,000 respectively from the company.

Special Medical Leave Policy

HIL introduced a pioneering special medical leave policy focused towards their women employees, which allows them to take one medical leave in a month without giving any clarification to the company. With this initiative HIL becomes the first construction company in India to bring such an initiative and offer one day leave per month for the comfort of a woman working for their organisation.

Convergence

In November we organized a company wide off-site 'Convergence - Reimagine & Rise" at Goa to bring synergy and and strengthen collaborations between employees.

With the company expanding its presence globally, and the exponential growth in brand, the leadership team revisited the vision, mission and values to support our ambitions better. This updated Vision, Mission and Values were later trickled down and introduced to all employees and workmen after the reveal at the off-site.

Road ahead

Going ahead, we remain committed to provide more opportunities for our employees to excel in their professional journey. We continue to build policies that are inclusive and employee focused. We are investing in data anlytics and digitalization to address recruitment, retention, talent identification and optimize costs. As we march ahead towards strengthening our position as a global building materials player, we continue to build an engaged, inclusive, diverse and talented workforce.

Gala Night at Convergence, Goa

BRAND RECALL

As part of the brand promotion activity, we have associated with Indian Premier League (IPL) by partnering with Chennai Super Kings (CSK) since the last two years. Through the association we have seen the brand grow multifold. The association with CSK has given a sense of pride among channel partners and employees. Our alliance with CSK and the acquisition of Parador positions us well as a global brand and player.

Our HIL - CSK television commercial showcases the extensive portfolio of products and highlights HIL as a one-stop shop solution provider for all building requirements in modern construction. Our brand-led activities have been appreciated and rewarded well with the numerous accolades HIL has been recipient of in this year.

Our brand statement "HIL - Together We Build" is a game-changer towards strengthening the brand's commitment and supporting our vision of building a dream nation with innovative products.

Further, we have recently rebranded "Birla Aerocon Pipes & Fitting" and "Birla Aerocon Putty" to "Birla HIL Pipes" and "Birla HIL Putty" respectively. So, these product ranges can gain customer trust and a better position in the market and leverage the brand equity of both Birla and HIL.

Parador product showcase at Domotex,Shanghai, China

Scan the QR code or visit https://youtu.be/zo6FLc0i0mw to view full video

BIrla HIL Pipes TVC

Scan the QR code or visit https://youtu.be/yErgcDov_tk to view full video

IMPACTING LIVES

LEADING BUSINESS RESPONSIBLY

HIL invests in projects that shape the rural areas of the country. It is dedicated to create an environment that enhances quality of life and promoting education, especially for the girl child. At HIL, we recognize that we play a vital role in contributing towards uplifting the society in which we operate.

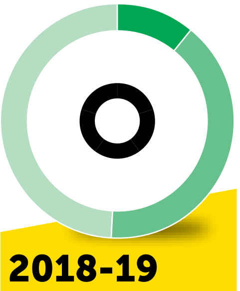
Focus areas of our corporate social responsibility (CSR) activities:

Education | **Healthcare** | **Rural Development** | **Environment stewardship**

₹2.05 Crores

Spent towards CSR activities in 2018-19

Break-up of CSR spent

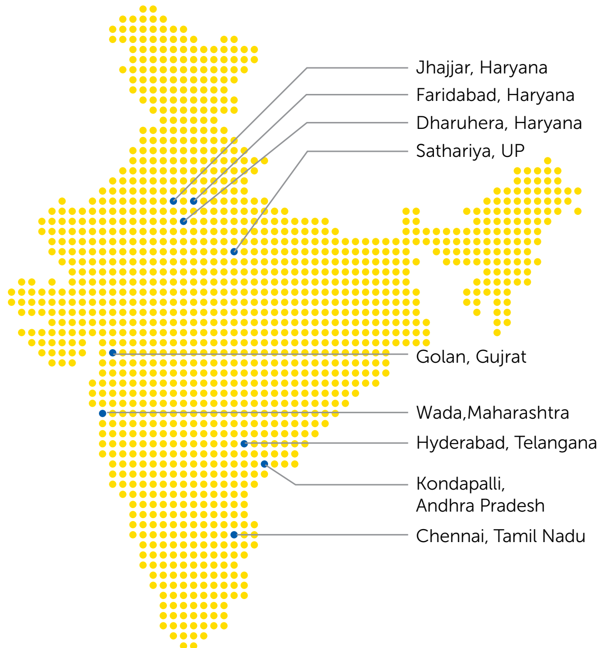


Development 22.40 Lacs	11%
Education 82.31 Lacs	40%
Health 100.00 Lacs	49%

RO plant provisioned for safe drinking water at Atkur (village), AP

Infrastructure Facilities at Z.P. Boys and Girls High School, Kondapalli, Ibrahimpatnam

CSR reach near our Plant Operations



Key highlights for 2018-19

- Promoting Health including preventive care for Retinal Cell Therapy with Hyderabad Eye Institute (Trust of LV Prasad Eye Institute). We spent ₹ 1 Crore in 2018-19
- Development of Livelihood, education and eradicating hunger & malnutrition at villages with Vanvasi Raksha Parivar Foundation, Cultural Society for Tribal (Trust/ Society). We spent ₹ 50 Lacs in 2018-19.
- Development of a school in Faridabad with new benches, building repair, computers and library.
- Developed government school, JSD Santhali Village School in Jaisidi.
- Sponsored education for girl students in Hyderabad.
- Contributed school bags along with books and stationery in Jhajjar.
- On going support to students at round table Government high school in Hyderabad which has shown significant examination results during the year.

75,000
Children Benefited

2,000
Villages impacted through our activities

80+
Girl student provided full time education

5+
school directly and indirectly covered

Scan the QR code or visit https://youtu.be/JvBly5DV_9M to view full video

BOARD OF DIRECTORS

Mr. CK Birla
Chairman

Mr. Chandra Kant Birla, aged 64 years is the Chairman and Non-Executive Director of the Company. He is the Chairman of a number of companies of the CK Birla Group. The Group has interests across industries such as automotive, technology, infrastructure, building products, healthcare and education. He is also a keen philanthropist and is deeply committed to creating sustainable positive impact.

Mr. Dhirup Roy Choudhary
Managing Director & CEO

Dhirup Roy Choudhary is the Managing Director & CEO at HIL Limited. He is an electrical and electronics engineer and an eminent scholar of IIM-Ahmedabad with twenty-seven + years of hands-on experience in business management.

His experience over wide range of products and companies in different geographies around the world has helped HIL enormously with significant on the ground experience in delivering profitable growth from companies, turning around loss making companies, setting up greenfield projects and Mergers & Acquisitions.

Mr. V. V. Ranganathan
Independent Director

Mr. V. V. Ranganathan is an accomplished finance professional with over forty years of variegated experience in India and overseas. He graduated in commerce with a gold medal and qualified as a Chartered Accountant and was later admitted as a fellow member of the Institute of Chartered accountants of India. He was also enrolled as a member of other professional bodies while serving professional services firms. He was a Senior Partner and Country Head for Quality & Risk Management as well as on the governing board of one of the leading big four global services firms and now serves on the boards of companies.

Mr.Desh Deepak Khetrapal
Non-Executive Director

Mr. Khetrapal holds Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from Delhi University. He has vast work experience in service, industrial, consumer and retail businesses.

Before joining Orient Cement Limited, Mr. Khetrapal was the Group Chief Executive Officer of Jumbo Group of Companies. He has also worked with Raymond Limited as Chief Operating Officer.

Mrs. Gauri Rasgotra
Independent Director

Mrs. Gauri Rasgotra has a rare combination of advisory and litigation experience of 27 years in both academic and corporate settings. She managed the litigation of some landmark cases such as the right of citizens to fly the national flag and reviving Satyam under new management after the largest ever corporate scam in India. She is also representing the new directors of IL&FS in the recent crisis being faced by the company. Gauri also worked in the US at the George Washington University Law School in Washington D.C. where she was selected to be the first Director of the school's newly established India Studies Center between 2007 & 2009. Gauri is an independent director on the Boards of two prominent public listed companies in India. She is a member of the ICC India Arbitration Group and the ICC India nominee on the ICC Commission on Arbitration and ADR. She is also a member of SIAC Users Council – India.

Dr. Arvind Sahay
Independent Director

Dr. Sahay has proven expertise in marketing strategy, pricing, neuroscience and consumer behavior, brand management, high tech marketing, international trade and investment., is a faculty at IIM-A, and has also been previously associated with London Business School. Dr. Sahay is an alumnus of IIT-Kanpur and IIM-Ahmedabad. He also holds a degree of PH.D from the University of Texas- Austin. Dr. Sahay is the recipient of the 'University Wide Outstanding Dissertation Award' from the University of Texas at Austin, the 'Innovation in Teaching Award' at London Business School and 'UTV Bloomberg Best Marketing Professor in India' award amongst others. Dr. Sahay was also nominated for the 'Thinkers50' India list by the Institute of Competitiveness, Harvard Business School.

LEADERSHIP TEAM

Mr. Gururaj B
Head - Manufacturing Process & COE

Jayakrishnan NK
Head - New Business

Mr. Lubert Winnecken
MD & CEO - Parador

PK Jhunjhunwala
Head- Imports

Mr. Karuppan Chetty Veerappan
Chief Financial Officer

Mr. I K Pandit
Head - Quality Assurance

Dr. Vivek Chandra Rao S P
Head - Occupational Health

Mr. Rama Krishna Akumalla
Head - Procurement

Mr. CV Hendrik Voß
CTO - Parador

Mr. Hemchandra Peruvelli
Chief Human Resources Offiecer

Mr. Agam Bhatnagar
Chief Operating Officer - Polymer Business

Ms. Neha Gupta De
Head - Marketing & Corporate Communication

Mr. Dhirup Roy Choudhary
Managing Director & CEO

Dr. D Satyanarayana
Head - Research & Development

Mr. Purav Viren Gala
Head - Internal Audit

Mr. Murali Raj G R
Chief Information Officer

AWARDS
OUR ACHIEVEMENTS

Great Place to Work

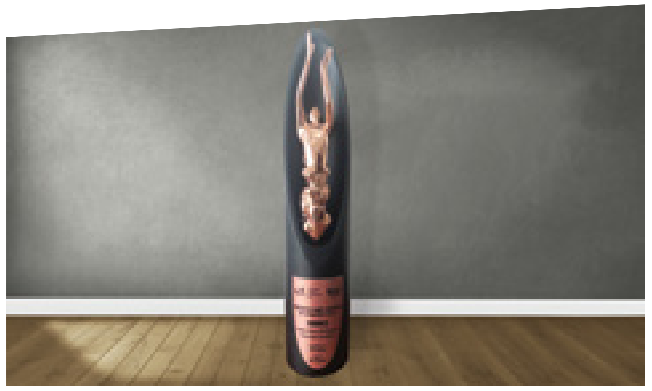
HIL was awarded Great Place to Work certificate in the first attempt for the year 2019-20. We achieved this certification based on extremely high satisfaction score provided by our employees in anonymous surveys.

Asia's most promising Leader of the Year

Our MD & CEO, Mr. Dhirup Roy Choudhary has been recognized as the Most Promising Business Leader of Asia in the Asian Business Leaders Conclave 2019, by Economic Times.

India's Best Company of the Year

HIL is proud to have received The Best Company of The Year Award 2018 for the 2nd time in a row at an awards ceremony held in Mumbai by IBC INFOMEDIA (A Division of International Brand Consulting Corporation, New Jersey, USA). This selection was based on overall market share, innovation, workplace culture, leadership, business ethics, Governance, Corporate Social Responsibility and other such factors.



Abby Awards

HIL's Birla HIL Pipes TVC bagged 2 silvers and 1 bronze at the Abby Awards during the Goa Fest. Abby's are considered the oscars of Advertising in India.

Golden Peacock National Quality Award 2018

HIL was awarded the Golden Peacock National Quality Award 2018. It is one of the most prestigious awards in the field of Quality, Innovation and Business Excellence.

The award was presented to HIL at the 29th World Congress on Leadership for Business Excellence & Innovation - Dubai Global Convention by the UAE Minister Dr. Tayeb Kamali.

Superbrand Award

Superbrand is the world's largest independent arbiter of branding. It pays tribute to the strongest and most valuable brands in the world. 'Superbrand Status' strengthens a brand's position, adds prestige and sets the brand apart from its competitors. Our roofing brand, Charminar, has bren recipient of this prestigious award this year as well.

APIIC Award

Andhra Pradesh Industrial Infrastructure Corporation awarded HIL Kondapalli unit the best green belt award.

ACEF Customer Engagement Forum

In an elaborate ACEF Customer Engagement Forum awards ceremony held in Mumbai on 5th October 2018, HIL won 3 golds in the categories of Best rural activation for Sales Volume, Most Effective use of Sponsorship and Event Marketing and Young Marketing Leader of the year. The awards were won for our association with CSK and brand building initiatives that were taken for HIL and the consumer activation for Charminar.

Asia's Most Trusted Company of the year, 2018

HIL Limited has been conferred with ASIA'S MOST TRUSTED COMPANY OF THE YEAR, 2018 by IBC Infomedia Pvt. Ltd. on 26th August 2018 for the second time. ASIA'S MOST TRUSTED BRANDS & COMPANIES AWARDS identify and rewards those which have maintained the highest standards of product integrity and brand development.

Iconic Brand, 2018

HIL has been recognized as an ICONIC BRAND, 2018. The Economic Time Iconic Brands 2018 is an endeavour mined to feature successful brand stories by outlining the DNA of the legendary brands of Indian origin who have taken a deep dive into what has made these brands stand out and what they are doing as an ongoing process to live up to the iconic status.

CORPORATE INFORMATION

Board of Directors	Mr. CK Birla	Chairman
	Mr. Dhirup Roy Choudhary	Managing Director & CEO
	Mr. Desh Deepak Khetrapal	Non-Executive Director
	Mrs. Gauri Rasgotra	Independent Director
	Dr. Arvind Sahay	Independent Director
	Mr. V.V Ranganathan	Independent Director
Key Managerial Personnel	Mr. KR Veerappan	Chief Financial Officer
	Mr. G Manikandan	Company Secretary & Financial Controller
Bankers	Kotak Mahindra Bank Limited State Bank of India HDFC Bank Limited The Hongkong and Shanghai Banking Corporation Limited	
Statutory Auditors	B S R & Associates LLP, Chartered Accountants	
Secretarial Auditors	P.S. Rao & Associates, Company Secretaries	
Cost Auditors	S.S. Zanwar & Associates	
Registrar & Share Transfer Agent	M/s. Venture Capital and Corporate Investments Pvt. Ltd.	
Registered Office Address	Office No. 1 & 2, 7th Floor, SLN Terminus, Near Botanical Garden, Gachibowli, Hyderabad-500032, Telangana, India Phone: 040-6824 9000 **Corporate Identification Number:** L74999TG1955PLC000656	

DIRECTORS' REPORT

Dear Members'

Your Directors' are pleased to present the 72nd Annual Report along with Standalone and Consolidated Financial Statements for the year ended March 31, 2019. The year gone by saw various significant achievements, as a momentous milestone achieved during the year is to take your Company global by acquiring **"Parador"** - a German based leading international premium brand in Flooring Solutions, having its manufacturing base in Germany, Austria and exports to 80+ Countries .

Your Company believes that the acquisition of **Parador** is a step towards expanding HIL Brand globally. During the year under review, your Company made its brand presence felt in many ways, which was well received by all the stakeholders including its loyal customers and employees.

Your Company continued to maintain its market leadership in India in the relevant operating segments by expanding its brand presence and market reach and delivered profitable growth for the second consecutive year.

Your Company was recognised as a **'Great Place to work'**, which acknowledges the efforts made by the management to carry the employees together as **'One HIL'**.

The financial numbers on a consolidated basis includes the transactions of the Wholly Owned Subsidiary (WOS), HIL International GmbH, Germany from July 4, 2018 to March 31, 2019, encompassing the financials of Parador Holding GmbH, Germany (Including its subsidiaries) for a period from August 27, 2018 to March 31, 2019.

Summary of Financial Results

(₹ in Crores)

Particulars	Standalone		Consolidated
	2018-19	2017-18	2018-19
Total Revenue	1513.71	1348.68	2234.77
Earnings Before Interest, Depreciation & Tax	222.27	170.67	281.41
Less : Interest	19.35	3.87	25.16
Depreciation	42.81	46.90	68.56
Profit Before Tax and Exceptional items	160.11	119.91	187.69
Less: Exceptional items	-	-	21.16
Profit before Tax	160.11	119.91	166.53
Less : Taxes	58.59	39.15	65.14
Profit for the year	101.52	80.75	101.40
Other Comprehensive Income – net of tax	(0.60)	(0.57)	(10.15)
Total Comprehensive Income for the year	100.92	80.18	91.24

Revenue

Continuing its growth trajectory, your Company has once again delivered a splendid performance in both quantitative and qualitative terms in the current year. All the business verticals outperformed over the last year numbers.

During the year under review, the net revenues from operations on a standalone basis has increased to ₹1481.94 Crores from ₹1326.17 Crores in the previous year - registering a growth of 12%. On a consolidated basis, your Company crosses the ₹2000 Crores revenue for the first time to register net revenue from operations during the financial year 2018-19 of ₹2208.02 Crores.

Interest

As mentioned above, one of the significant milestone during the year was successful acquisition of the German based leading flooring solutions company **"Parador"**, the funding for which was meticulously planned by a combination of funds from internal accruals and debt through banks in India and Europe at an attractive interest rates, which has helped your Company to limit the interest costs substantially.

In view of the above, interest cost for the year 2018-19 has increased to ₹19.35 Crores on a standalone basis as against ₹3.87 Crores during the previous year. On a consolidated basis, interest cost for the financial year 2018-19 stood at ₹25.16 Crores.

Profit Before Tax

During the year under review, your Company achieved a standalone Profit Before Tax (PBT) of ₹160.11 Crores as against ₹119.91 Crores in the previous year, thus registering a growth of 34%, mainly driven by various operational cost saving initiatives and well outlined sales strategies to improve net realisations. This is after paying an interest of ₹14.73 Crores paid towards loan taken for acquisition of 100% shareholding of Parador Holding GmbH, Germany. On a consolidated basis, profit before tax for the year 2018-19 stood at ₹167.07 Crores.

Net Worth

The Standalone Net Worth as at March 31, 2019 improved to ₹646.86 Crores as against ₹566.12 Crores as on March 31, 2018. On a consolidated basis, the Net Worth of your Company for the financial year 2018-19 stood at ₹637.19 Crores.

The earnings per share (basic) grew by 26% during the year i.e ₹135.94 per share as on March 31, 2019 as against ₹108.21 as on March 31, 2018. The book value per share as at March 31, 2019 was at ₹853/- as against ₹759/- as on March 31, 2018.

Credit Rating

During the year under review, your Company has borrowed ₹273 Crores in India to fund acquisition of 100% shareholding of Parador Holding GmbH, Germany, which has resulted in a substantial increase in long term debt. However, owing to continuing good performance of your Company and after detailed evaluations, the rating agencies, have retained the long term rating at the existing levels.

The Credit Ratings assigned to various debt instruments are as below:

Sl No.	Agency	Type	Rating
1	ICRA	Long Term – Cash Credit Facilities	'ICRA AA-/ (Stable)'
2	ICRA	Short Term – Debt	'ICRA A1+'
3	ICRA	Short Term -Commercial Paper	ICRA A1+
4	India Ratings	Long Term - Term Loan	'IND AA-/ (Stable)'

Dividend

During the year under review, the Board of Directors has declared an interim dividend of ₹12.50 per equity share (125% of the paid-up value). Your Directors are pleased to recommend a final dividend of ₹12.50 per equity share (125% of the paid-up value) for your consideration and approval at the ensuing Annual General Meeting of the Company.

With the proposed final dividend, the total dividend for the year 2018-19 works out to be ₹25.00 per equity share (250% of the paid-up value) as against the total dividend of ₹22.50 per equity share (225% of the paid-up value) declared in the previous year.

The total dividend outgo would amount to ₹22.52 Crores (Including Corporate dividend tax) and the Company has transferred ₹10.00 Crores to the General Reserves out of the profits for the year.

The Company has fixed July 17, 2019 as Record Date for the purpose of determining the entitlement of the shareholders to the final dividend for the financial year ended March 31, 2019. The Register of Members and Share Transfer Books of the Company will remain closed from July 18, 2019 to July 24, 2019, both days inclusive.

Share Capital

The paid up Equity Share Capital as on March 31, 2019 was ₹7.50 Crores. During the year under review, the Company has issued 8780 equity shares on exercise of options by eligible employees and there are no shares with differential voting rights, nor sweat equity issued by the Company.

Listing With Stock Exchanges

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for financial years 2019-2020 and 2018-19 have been paid to these exchanges.

During the financial year 2018-19, the Issued and Listed Capital of the Company has increased due to allotment of Equity Shares (8780) to eligible employees on exercise of options under HIL Employee Stock Option Scheme, 2015.

State of Company's Affair

Your Company continued to accelerate its business performance and gain momentum during the year under review and its focused and committed approach combined with its unique market/product based strategies helped it to grow its market share in all its product categories with better realizations.

Your Company always believes that optimizing cost and improving the operational excellence is core to maintain the profitability in the competitive environment. In line with this, your Company has initiated **"Six Sigma"** and **"Lean Management Systems"** in all its manufacturing facilities, aiming to achieve operational excellence with optimal cost management.

Your Company has added capacities in the growing product ranges in line with its focus on high potential geographies resulting in significant growth in revenue and profits.

Roofing Solutions:

Your Company retained its market leadership position owing to the deep rooted trust it enjoys from its customers, backed with various market penetration, dealer initiatives and brand enhancement schemes undertaken during the year, and thus expanded its business reach in a competitive environment.

"Charminar", Asia's best consumer brand, continue to enjoy its leadership owing to the legacy gained over the last 7 decades clubbed with enhanced Customer centric approach, superior quality than competition, better post sale customer service, deep routed supply chain network and widely spread depots and dealer network. This has adequately supported the business to mitigate the headwinds faced in the industry.

"Charminar Fortune", a product from the in-house R&D team, which was introduced last year by your Company to cater the requirement of the institutional segment, has received a positive response from the customers. Our technical solutions team and sales team are constantly working to enhance the customer base by including this product into the approved catalogues of various institutions. The quality and performance of this product has positively surprised the market, which has helped us install the product in prestigious locations. During the year, your Company associated with **"Chhatrapati Shivaji Terminus"**, which is a historic railway station and a UNESCO World Heritage Site in Mumbai, Maharashtra, by supplying Charminar Fortune sheets, to give a new look to the station.

Your Company believes this advanced research-based green roofing solution with excellent load bearing capacity, thermal resistance, sound proofing, fire resistance and a life of many decades will be a game changer in markets within and outside our Country and will take the Company to newer heights in the years to come.

Overall the roofing business ended the year with a growth of 4% in quantity terms over the previous year and we continue to consolidate our position in the industry.

Building Solutions

Building Solutions business consists of Wet Walling and Dry Walling products, which caters to the various requirements of customers in residential/commercial spaces. During the year the demand for these products have gone up, which resulted in reporting an improved financial performence for this segment.

Various marketing activities along with selective focus on high yielding orders helped the Company to increase its sales by more than 7% during the year under review as compared to last year, resulting in full capacity utilization of this business. The growth in volumes was aptly supported by on-going Government initiatives.

Your Company continued its position as a comprehensive solutions provider in the building materials category by offering all relevant products under one roof thereby retaining and enhancing its customer base. The company management's vision was to improve the operational efficiencies in this business before enhancing capacities, which has been achieved in the year gone by.

Wet-Walling Solutions

Wet-Walling category consists of **"Fly Ash Blocks"**, an eco-friendly building material, **"Smart fix"**, and **"Smart Plaster"** under the brand name **"Birla Aerocon"**. All products cohesively offer a complete range of solutions to the stakeholders in the Building Material industry.

Fly Ash Blocks – an eco-friendly building material product, with unique combination of strength, low weight, cost-effectiveness and durability, has helped your Company to gain huge market share in the Building solutions and continue its leadership position.

During the year under review, Fly Ash Blocks has achieved a growth of 7% in quantity terms over the previous year, which was subdued due to capacity constraints. Fly Ash Blocks along with Smart Fix and Smart Plaster continue to be a preferred choice among the builders and dealers.

Dry-Walling Solutions

Dry-Walling category consists of **"Panels", "Boards" and "Smart bond"** under the brand name **"Birla Aerocon"**. Panels & Boards continue to be the preferred choice of the Architects and designers. Technical solutions team of the Company works closely with the Architects and Designers to provide them requisite support wherever required for promoting these products. With strong sales force and better relationship with external stakeholders backed by premium brand, this product category registered a growth of 14% in quantity terms during the year under review as compared to the previous year. Your Company continues to maintain its preferred position in this category as well.

Thermal Insulation

Thermal Insulation business under the brand **HYSIL**, has reported a growth of 20% in quantity terms due to enhanced sales efforts and improved demand from domestic and overseas customers for their new projects.

Polymer Solutions

This vertical consists of Pipes & Fittings and Wall Putty marketed under the brand name **"BIRLA HIL"**. During the last quarter of the financial year under review, the Wall Putty business was moved from **"Building Solutions"** vertical to **"Polymer Solutions"** vertical due to high synergies with Pipes & Fittings business in the retail space.

Pipes & Fittings

To further strengthen the Brand, your Company has taken strategic decision to rebrand Pipes & Fittings and sell under **"BIRLA HIL"** Pipes and fittings, Your Company believes that this initiative will combine the Legacy & Goodwill of BIRLA & HIL, while recognising HIL's dominance in building solutions sector and helped us to create a Brand based on Reliability, Quality & Trust.

During the year under review, the Pipes & Fittings business registered a robust growth of 110% in revenue terms over the previous year. The said growth was mainly driven by capacity and product portfolio enhancement, expanding the dealer base and augmenting well-planned marketing activities, including investment in Television Commercials activities, with quality centric approach. Augmentation in capacity and product portfolio has been achieved by investing a sizeable amount in establishing capacity for launching new product categories. Your Company added capacity at its Golan Plant, taking total capacity at Golan to 16,000 MT. In addition to this, expansion was also initiated at Thimmapur plant. After completing all the above projects, the aggregate capacity of your company for Pipes and Fittings will be increased to 30700 MT by end of September 2019.

With key focus on strengthening Brand, your Company launched TV Commercials, which were aired across all leading TV Channels in November and December 2018. Your Company believes that with these initiatives, awareness of **"BIRLA HIL"** Brand with consumers will further increase and strengthen on PAN India basis. With strengthening of relationships with the trade channels, plumbers, influencers and builders/developers, will result in improved trust which will directly influence the performance of this division going forward.

Wall Putty

During the year, Wall Putty business almost doubled as the brand awareness increased multi-fold from different territories. The Wall Putty business ended the year at ₹117.28 Crores in revenue terms as compared to ₹60.17 Crores registered in FY 2017-18, there by resulting in 94% growth over last year. In order to meet the growing demand for this product, your Company expanded its manufacturing capacity from 60,000 MT to 1,65,000 MT during the year. Your Company is also committed to expand its manufacturing foot print further for this product in the Western and Southern Regions as the demand picks up, which will further boost demand for this product

Flooring Solutions

With the acquisition of 100% shareholding in Parador Holding GmbH, Germany, your Company has enhanced its global presence.

"Parador" - a leading international premium brand for flooring Solutions with its "Made in Germany" & "Made in Austria" quality products, is a perfect blend of design and technology. Innovative and sustainable products makes it highly complementary to your Companies existing product portfolio, which will enable the Company to market its widened product range across the globe.

"Parador", founded in Cosefeld Germany in 1977, has two manufacturing facilities, one each in Cosefeld, Germany and Gussing, Austria, with three distinct product categories namely; Engineered wooden flooring, laminate flooring and resilient wooden flooring. Having international presence in 80+ Countries, it continues to be the leading brand in Europe.

The above acquisition was done in all-cash consideration, which was funded by a combination of internal accruals, onshore & offshore debt at competitive rates.

During the year, **"Parador"** has expanded its foot prints by setting up Parador (Shanghai) Trading Co., Ltd, China, the first ever Joint Venture of Parador GmbH, Germany and opened its first world class showroom in Shanghai with its state of art, digitally led distribution system for Premium flooring products. This will help your Company to expand its business aggressively in China and other parts of the Asian markets.

During the period August 27, 2018 to March 31, 2019, Parador Group has reported a Net Revenue of ₹726.08 Crores with a Profit Before Tax of ₹6.42 Crores after absorbing one time exceptional spend of ₹21.16 Crores.

Branding

Your Company commenced its brand enhancement journey in a serious way since last year and is committed to enhance its business performance and reach by continuously investing in its brands. As part of the brand promotion activity, your Company has associated with the Indian Premier League (IPL) by partnering with Chennai Super Kings (CSK) for the last two years, resulting in significant increase in brand recognition. There is a sense of pride amongst the channel partners and employees, which reflected in their overall performance during the year under review. Company's management wanted to establish HIL as a global brand from its previous image of being a Hyderabad based company and have gone a long way towards successfully creating this image in the minds of all the stakeholders with the help of these promotions. Your Company also aimed to boost HIL brand visibility as well as its reach amongst its consumers, dealers, and influencers and has been successful in achieving the same.

The TV commercials released by the Company displaying its global reach and extensive portfolio of products was greatly appreciated. Your Company received several awards and accolades for all its brand led activities undertaken during the year under review.

Your Company is looking forward to benefit from similar associations in the coming years as well and believe it will lead to brand-led business growth among all the verticals. Your Company's caption **"HIL – Together, We Build"** has proven to be a game-changer towards strengthening the brand's commitment and supporting its vision of building a dream nation with its innovative products. While the quality of products is a prerequisite for progressive growth for HIL, it will be driven by diversification and enhancement of its products. These associations will highlight HIL as a one-stop shop solutions provider for all building requirements for modern construction.

The philosophy of **Together, We Build** is synonymous not just with our products but also with our brand persona, which is reflected in all our activities.

Awards

Great Place to Work

Your Company is proud of being certified as a **"Great Place To Work"** in its first attempt for the year 2019-20. This goes to prove the confidence of all employees have in your Company and commends on the efforts taken by the management towards building an impeccable performance-based organization.

Asia's most promising Leader of the Year

Mr. Dhirup Roy Choudhary, Managing Director and CEO of your Company was conferred with the prestigious 'Most Promising Business Leader in Asia Award 2018' by The Economic Times, marking a significant achievement, and testimony to his persistent endeavors towards strengthening an innovation-led organization and leading and shaping the business demographics of HIL, India's leading and Asia's most trusted building material company.

The award was presented to a handful of business leaders of India, China and other South East Asian countries in Hong Kong early this calendar year.

Golden Peacock National Quality Award 2018

Your Company bagged the Golden Peacock National Quality Award 2018, which is one of the most prestigious awards in the field of Quality, Innovation and Business Excellence.

The award was presented to HIL at the 29th World Congress on Leadership for Business Excellence & Innovation - Dubai Global Convention on March 6, 2019 by the UAE Minister Dr. Tayeb Kamali.

India's Best Company of the Year

Your Company is proud to have received The Best Company of the Year Award 2018, in category of building materials, for the second time in a row at an awards ceremony held in Mumbai by IBC INFOMEDIA (A Division of International Brand Consulting Corporation, New Jersey, USA). This selection was based on overall market share, innovation, workplace culture, leadership, business ethics, Governance, Corporate Social Responsibility and such other factors.

ACEF Customer Engagement Forum

In an elaborate ACEF Customer Engagement Forum awards ceremony held in Mumbai on October 5, 2018, your Company won 3 gold awards in the categories of Best rural activation for Sales Volume, Most Effective use of Sponsorship and Event Marketing and Young Marketing Leader of the year. The awards were won for the association with CSK and brand building initiatives undertaken by your Company.

Abby Awards

Considered as the Oscars of advertising and marketing, your Company bagged two silvers and one bronze award for its Pipes & Fittings TV Commercial. This TV Commercial was also sponsored for the Cannes Festival this year.

Superbrand Award

Superbrand is the world's largest independent arbiter of branding. It pays tribute to the strongest and most valuable brands in the world. 'Superbrand Status' strengthens a brand's position, adds prestige and sets the brand apart from its competitors. Your Company's brands **"Charminar" and "Birla Aerocon"** have been recipients of this prestigious award this year as well.

APIIC Award

Andhra Pradesh Industrial Infrastructure Corporation awarded your Company's Kondapalli unit with the best green belt award.

Asia's Most Trusted Company of the year, 2018

Your Company was conferred with ASIA'S MOST TRUSTED COMPANY OF THE YEAR, 2018 by IBC Infomedia Pvt. Ltd. for the second consecutive year. ASIA'S MOST TRUSTED BRANDS & COMPANIES AWARDS identify and rewards those which have maintained the highest standards of product integrity and brand development.

Iconic Brand, 2018

Your Company was recognized as an "ICONIC BRAND, 2018" by The Economic Time Iconic Brands 2018. The Economic Time Iconic Brands 2018 is an endeavour to feature successful brand stories by outlining the DNA of the legendary brands of Indian origin who have taken a deep dive into what has made these brands stand out and what are they doing as an ongoing process to live up-to the iconic status.

Management Discussion & Analysis Report

A Report on Management Discussion & Analysis is appended as **Annexure (I)** to this report as per the requirements of Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations 2015.

Directors' & Key Managerial Personnel

The following were the changes to the Board of Directors of your Company:

- Dr. Arvind Sahay (DIN: 03218334) was appointed as an Additional Director w.e.f February 8, 2019 and was also appointed as an Independent Director for a period of 5 years i.e from February 8, 2019 to February 7, 2024);
- Mr. V. V. Ranganathan (DIN: 00060917) was appointed as an Additional Director w.e.f March 19, 2019 and was also appointed as an Independent Director for a period of 5 years i.e from March 19, 2019 to March 18, 2024);
- Mrs. Gauri Rasgotra (DIN: 06862334) was reappointed as an Independent Director for a period of second term of 5 years i.e from May 8, 2019 to May 7, 2024;
- Mr. Yash Paul (DIN: 00580681) Independent Director of the Company has resigned due to personal reasons from the directorship of the Company w.e.f March 19, 2019. The Board places on record its deep appreciation for the valuable services rendered by him during his association of about 19 years as a Director and Independent Director of the Company.
- Late Mr. P. Vaman Rao (DIN: 00069771) Independent Director of the Company has resigned due to his health reasons from the directorship of the Company w.e.f February 8, 2019. The Board places on record its deep appreciation for the valuable services rendered by him during last 5 decades as a Director and Independent Director of the Company. The Company also pays homage to this great leader on his demise during the later part of the year.

As per Section 149, 152 and 160 of the Companies Act, 2013, Dr. Arvind Sahay and Mr. V. V. Ranganathan hold the office of Director, as Additional Director, until the date of the ensuing Annual General Meeting of the Company and are eligible for appointment as a Director. Keeping in view their experience and expertise, the Board recommends their appointment as Director(s) and Independent Director(s) for a period of 5 years. The Resolution proposing their appointment will be placed before the Shareholders for their approval at the ensuing Annual General Meeting of the Company.

As per Section 149 of the Companies Act, 2013 and keeping in view the vast expertise and experience, the Board recommends the reappointment of Mrs. Gauri Rasgotra as Independent Director for a second term of 5 years. The Resolution proposing her appointment will be placed before the Shareholders for their approval at the ensuing Annual General Meeting of the Company.

In accordance to provisions of Section 152 of the Companies Act, 2013 and pursuant to Articles of Association of the Company, Mr. Desh Deepak Khetrapal (DIN: 02362633) Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

For Director seeking appointment/re-appointment at the ensuing Annual General Meeting of the Company, their brief resume and other details required to be disclosed in accordance with Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Companies Act, 2013 and Secretarial Standards is included in the notice of the ensuing Annual General Meeting forming part of this Annual Report.

Pursuant to the provisions of Section 149 & 184 of the Companies Act, 2013 and under Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Independent Directors of the Company have submitted a declaration that each of them meet the criteria of independence as prescribed in Section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Dhirup Roy Choudhary, Managing Director & CEO, Mr. KR Veerappan, Chief Financial Officer and Mr. G Manikandan, Company Secretary & Financial Controller are the Key Managerial Personnel of the Company and during the year under review there was no change in the Key Managerial Personnel of the Company.

Board & Committees

Board Meetings

During the year eight meetings of Board of Directors of the Company were convened and held in accordance with the provisions of the Companies Act, 2013. The date(s) of the Board Meeting, attendance by the directors were given in the Corporate Governance Report forming part of this annual report. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

Committees of The Board

As per regulatory requirements and with a view to have focused deliberation, the Board has constituted following committees.

Audit Committee

Audit Committee of the Company meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. During the year four meetings of the Committee were held, the details along with the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

Nomination & Remuneration Cum Compensation Committee

Nomination & Remuneration cum Compensation Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. During the year four meetings of the Committee were held, the details of the composition of the Nomination and Remuneration cum Compensation Committee as required under the provisions of Section 178 of the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report. During the year under review, the Board has accepted all the recommendations of the Nomination & Remuneration cum Compensation Committee.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually and the Committees of the Board.

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination & Remuneration cum Compensation Committee and Independent Directors, with specific focus on the performance and effective functioning of the Board and Individual Directors.

Structured forms covering evaluation of Board, Committees of the Board, Chairperson, Independent Directors and non-independent directors were circulated to all the Directors and Directors were requested to rate the same against various criteria taking into consideration the inputs received from Directors, covering aspects of the Board's functioning such as adequacy of the Composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of the Individual Directors including the Chairman of the Board. The Directors' performance was evaluated on parameters such as level of engagement and contribution in strategy and safeguarding the interest of the Company etc.

The entire Board carried out the performance evaluation of the Independent Directors. Further the Independent Directors carried out the performance evaluation of the Chairman and Non Independent Directors.

Based on the recommendation of the Nomination & Remuneration cum Compensation Committee, the Board reviews the key skills/ expertise/competence of Board of Directors, so that Board of Directors comprises of a diverse and multidisciplinary group of professionals with requisite skills/expertise/competence who can contribute towards providing strategic direction to the Company's management upholding the highest standards of Corporate Governance.

Further, as per the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulation 2015, the following is the matrix of skills and competencies on which all Directors will be evaluated from the financial year 2019-20 onwards.

- Governance and Board service
- Business Understanding
- Risk/Legal/Regulatory Compliance
- Information Technology/Accounting/Financial Experience
- Industry/Sector Knowledge
- Strategy development and implementation

Familiarisation Programme for Directors

In addition to giving a formal appointment letter to the newly appointed Director on the Board, a detailed induction plan covering the role, function, duties, responsibilities and the details of compliance requirements expected from the director under the Companies Act, 2013 and relevant Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given and explained to a new Director.

During the year all new directors appointed were provided with a formal familiarisation and a detailed orientation about the Company.

Corporate Social Responsibility Committee (CSR)

Corporate Social Responsibility Committee of the Company meets the requirements of Section 135 of the Companies Act, 2013. The details of the composition of the Corporate Social Responsibility Committee as required under the provisions of Section 135 of the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, the brief outline of the Corporate Social Responsibility ('CSR') policy of the Company and the initiatives undertaken by the Company on the CSR activities during the year are given in **Annexure (II)** to this report in the format prescribed in the Companies (Corporate Social Responsibility) Rules, 2014. The said policy is available on the Company's website "http://hil.in/investors-relations/".

As per the provisions of Section 135 of the Companies Act, 2013, 2% of average Net Profits of the Company for the immediately preceding three financial years calculated as per Section 198 of the Companies Act, 2013 works out to ₹1.63 Crores and the Company has spent ₹2.05 Crores on CSR activities in the areas of healthcare, education and others.

Stakeholders' Relationship Committee (SRC)

The Stakeholders' Relationship Committee of the Company meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. During the year four meetings of the Committee were held, the details along with the composition of the Committee as required under the provisions of Section 178 of the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report. During the year under review, the Board has accepted all the recommendations of the Committee.

Extract Of Annual Return

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and rules framed thereunder, the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure (III)** and forms part of this Report.

Directors' Responsibility Statement

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 and on the basis of compliance certificate received from the executives of the Company and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors state that:

I. In preparation of the Annual Accounts for the year ended March 31, 2019 all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and Companies Act, 2013 have been followed and there were no material departures.

II. We have adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2019.

III. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

IV. The Annual Accounts for the year ended March 31, 2019 has been prepared on a going concern basis.

V. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

VI. The systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Corporate Governance

Your Company is committed to good Corporate Governance coupled with adhering best corporate practices. The report on Corporate Governance for the year ended March 31, 2019 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed herewith as **Annexure (IV)**. The Certificate from the Auditors of the Company B S R & Associates LLP., Chartered Accountants, [ICAI Firm Registration Number: 116231W/ W-100024] regarding compliance of conditions of Corporate Governance is attached to the report of Corporate Governance forming part of this annual report.

Policies

Whistle Blower Policy

Pursuant to the requirement laid down in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015, the Company has a Whistle Blower Policy as part of its Vigil Mechanism to deal with instance of fraud and mismanagement, if any. The framework ensures that strict confidentiality is maintained whilst dealing with concerns and that no discrimination is meted out to any person for a genuinely raised concern. The designated officer/ Audit Committee Chairman can be directly contacted to report any suspected or confirmed incident of fraud/ misconduct at whistleblower@hil.in. A High Level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

The details of the same are provided in the Report on Corporate Governance forming part of this report. The Whistle Blower Policy is also posted in the Investors section of the Company's website www.hil.in on the following link http://hil.in/investors-relations/.

All the complaints received under Vigil Mechanism Policy were investigated thoroughly and detailed update including action taken, if any, on the same was presented to the Audit Committee and Statutory Auditors of the Company.

Remuneration Policy

Nomination & Remuneration Policy ("Remuneration Policy") of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate Directors on the Board, Key Managerial Personnel and the Senior Management Officers. Our Business Model promotes customer centricity and requires employee mobility to address project needs. The Remuneration Policy supports such mobility through pay models that are at par with industry standards.

The Nomination & Remuneration Policy is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the same provided in the Corporate Governance Report. The Nomination & Remuneration Policy is also posted in the Investors section of the Company's website www.hil.in on the following link http://hil.in/investors/codes-policies/.

Sexual Harassment Policy

Diversity and Inclusion is one of the major thrust of your Company this year and provides an equal opportunity to all; it has been an endeavour of the Company to support women professionals through a safe, healthy and conducive working environment by creating and implementing proper policies to tackle issues relating to safe and proper working conditions. As per provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto.

During the year under review, no complaint of sexual harassment was received by the Company. Details as per Section 21 and 22 of the POSH Act are as under:

Number of cases pending at the beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of cases pending at the end of the financial year	Nil
Details of workshops or awareness programmes against sexual harassment carried out	The Company regularly conducts necessary awareness programs for its employees and all employees are provided detailed education during the induction.
Nature of action taken by the employer or district officer	Not Applicable

Related Party Transactions

The Company is having a robust process of identifying and monitoring of related party transactions. All related party transactions that were entered during the financial year under review were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions entered or transacted by the Company with Related Parties, Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Power) Rules, 2014, all Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for transactions, which are of repetitive in nature and / or entered in the ordinary course of business and are at arm's length with related parties.

All Related Party Transactions entered during the financial year 2018-19 were in ordinary course of business and at arm's length basis. Your Company entered no Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statement, during the year under review.

A summary statement of the transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on quarterly basis. The requisite details of the related party transactions entered into during the financial year are provided as **Annexure (V)** to this report.

None of the Directors, other than to the extent of their shareholding, receipt of remuneration/ commission, has any pecuniary relationships or transactions vis-à-vis the Company and None of Directors are relatives to each other.

Risk Management

The Company has an elaborated Risk Management framework in place, which helps in identifying the risks and proper mitigation thereof and also laid down the procedure for risk assessment and its mitigation through an internal Risk Committee.

Key risks and their mitigation arising out of reviews by the Committee are assessed and reported to the Audit Committee on a periodic basis. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Policy details the Company's objectives and principles of Risk Management along with an overview of the Risk Management process, procedures and related roles and responsibilities.

During the year, the Board reviewed the elements of risk and the steps taken to mitigate the risks and in the opinion of the Board there are no major elements of risk, which has the potential of threatening the existence of the Company and as an organization, your Company promotes strong ethical values and high levels of integrity in all its activities, which in itself is a significant risk mitigator.

Other Policies

The Company has also adopted the following policies, as required by Companies Act, 2013 and Securities and Exchange Board of India

Regulations and the same are available on the website of the Company (www.hil.in/investors/ policies/)

- Dissemination of Material Events Policy.
- Documents Preservation Policy.
- Monitoring and Reporting of Trading by Insiders.
- Code of Internal Procedures and Conduct for Regulating Code of Practices and Procedures for Fair Disclosures.
- Material Subsidiary Policy.

Internal Financial Controls With Reference to Financial Statements

The Company has adequate internal financial control procedures commensurate with its size and nature of business. These controls include:

1. All transactions are recorded in the ERP system SAP.
2. Well defined policies, guidelines, and Standard Operating Procedures ('SOPs'), authorization and approval procedures.
3. The internal financial controls of the Company are adequate to ensure accuracy and completeness of the accounting records, timely preparation of reliable financial information, prevention and detection of frauds and errors, safeguarding of the assets and that the business is conducted in an orderly and efficient manner.
4. The Company has appointed Internal Auditors to check the Internal Controls and to ensure whether the work flow of the organization is in accordance with the approved policies of the Company; and
5. Systems to ensure compliances with prevalent status and statutory compliances are in place.

Auditors

Statutory Auditors

The Company's Statutory Auditors, B S R & Associates LLP, Chartered Accountants (ICAI Regn. No.-116231W/ W-100024), were appointed as the Statutory Auditors of the Company for a period of 5 years i.e 70th Annual General Meeting (held on July 18, 2017) till the conclusion of the 75th Annual General Meeting to be held in 2022. Accordingly, B S R & Associates LLP, Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of 75th Annual General Meeting. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Companies Act, 2013

There are no qualifications, reservations or adverse remarks made by B S R & Associates LLP, Chartered Accountants (ICAI Regn. No. 116231W/ W-100024) Statutory Auditors in their report for the Financial Year ended March 31, 2019 and during the year, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Internal Auditors

The Company has an in-house internal audit team, which monitors the effectiveness of the internal control systems. It reports to the Managing Director and Audit Committee about the adequacy and effectiveness of the internal control system of your Company. Your Company also obtains the services of Ernst and Young, LLP, and other reputed professionals to audit specific locations and processes for the year 2018-19.

The recommendations of the internal audit team on improvements in the operating procedures and control systems were also presented to the Audit Committee for strengthening the operating procedures.

During the year under review, the Internal Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the rules framed thereunder, the cost audit records maintained by the Company in respect of its specified products are required to be audited by a Cost Auditor. The Board of Directors, on recommendation of the Audit Committee, appointed S.S. Zanwar & Associates, Cost Accountants in Practice, (Registration No. 100283) Cost Auditors as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of ₹7.00 lac plus other applicable taxes and actual travel, stay, conveyance and other miscellaneous expenses. Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2019-20 at the ensuing Annual General Meeting of the Company, in accordance with Section 148 of the Companies Act, 2013.

The Cost Audit report for the financial year ended March 31, 2018 was duly filed with the Central Government within the due date and the Company has maintained the Cost Records/Accounts as required under Section 148 of the Companies Act, 2013.

During the year under review, the Cost Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

Particulars of Loans, Guarantees or Investments

The details of Loans, Guarantees, Investments and Security made during the Financial Year ended March 31, 2019 is given in compliance with the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and the same is provided in the notes to financial statements.

Deposits

The Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on March 31, 2019.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Regulation 24A of the Securities and Exchange Board of India (LODR) Regulations, 2015 and rules framed thereunder, the Board of Directors, on recommendation of the Audit Committee, appointed P S Rao and Associates, Company Secretaries to undertake the secretarial audit of the Company.

The secretarial audit report issued by P S Rao and Associates, Company Secretaries for the financial year ended March 31, 2019 is given in the **Annexure (VII)** attached hereto and forms part of this report. The report does not contain any qualifications, reservations or adverse remarks.

During the year under review, the Secretarial Auditors have not reported any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134 (3) (ca) of the Act.

Subsidiaries and Joint Ventures

During the year your Company has set up a Wholly Owned Subsidiary i.e HIL International GmbH, Germany for acquiring 100% shareholding of Parador Holding GmbH, Germany. The following is the group structure of your Company after the said acquisition:

Sl No.	Legal name of the entity	Relationship	Country of incorporation and Date	Full address
1	HIL LIMITED	Holding Company	India, June 23, 1955	Office No. 1 & 2, Level 7, SLN Terminus, Gachibowli, Hyderabad 500032
2	HIL International GmbH	Subsidiary (Wholly Owned Subsidiary)	Germany, July 4, 2018	Millenkamp 7-8, 48653 Coesfeld, Germany
3	Parador Holding GmbH	Step Down Subsidiary (WOS to HIL International GmbH)	Germany, June 20, 2016	Millenkamp 7-8, 48653 Coesfeld, Germany
4	Parador GmbH	Step Down Subsidiary (WOS to Parador Holding GmbH)	Germany, September 21, 2015	Millenkamp 7-8, 48653 Coesfeld, Germany
5	Parador Parkettwerke GmbH	Step Down Subsidiary (WOS to Parador GmbH)	Austria, April 10, 1998	Wiener Strasse 66, 7540 Güssing, Austria
6	Parador (Shanghai) Trading Co., Ltd.	Equity Joint venture (50%) of Parador GmbH and (50%) Horgus Oriental Glamour Co., Ltd,.	Republic of China, August 8, 2018	Room 1006, Floor 10, No, 233 Taicang Road, Huangpu District, Shanghai Municipality, the People's Republic of China
7	Supercor Industries Limited	Equity Joint Venture (33%)	Nigeria July 1, 1974	5 Ashaka Close, Industrial Estate, P.O. Box 51, Bauchi, Nigeria

During the year, Mr. Dhirup Roy Choudhary, Managing Director & CEO of the Company has been appointed as Managing Director on the Board of it's Subsidiaries.

During the year, in compliance with the requirements of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements)Regulations, 2015, your Company has appointed Dr. Arvind Sahay, Independent Director as Director on the Board of HIL International GmbH, Germany (wholly owned subsidiary)

Supercor Industries Ltd

Your Company holds 33% of the share capital in Supercor Industries Limited ("Supercor"), a Company incorporated under the laws of Nigeria. The State Government of Bauchi, Nigeria and other shareholders holds remaining 67% of the share capital in Supercor.

As informed earlier, Supercor suspended its operations from November 2015, none of the employees of Supercor are attending office and the power connection at the offices of Supercor has also been discontinued. The winding-up petition filed by the Company in 2016 was dismissed in Nigerian Court. Interim Board has been set up by the Nigerian Government for assessing the revival of the operations. However, detailed plan of action from the interim Board of Supercor is awaited. While the investment and receivables are completely provided for, based on the current status, the Management believes there are no obligations for the Company towards Supercor.

In view of the above, Company is not in a position to obtain any information/financials from the Joint Venture entity and hence the consolidated financial statements does not include the financial performance of Supercor Industries Ltd.

As per the provisions of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the Financial Statements of the Subsidiary Companies/ Associate Companies/Joint Ventures in Form AOC-1 attached as **Annexure (VII)** to this report.

Consolidated Financial Statements

The Consolidated Financial Statements prepared in accordance with Indian Accounting Standards "Ind AS" as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013. As per the provisions of Section 136 of the Companies Act, 2013, the Company will also place separate Audited accounts of its Subsidiaries on its website.

Employee Stock Options

The Company has an operative Employees Stock Option Scheme 2015 (ESOS-2015) which provides for grant of Stock Options to eligible employees of the Company.

Nomination & Remuneration cum Compensation Committee of the Board of Directors, inter alia, administers and monitors the Employees' Stock Option Scheme of the Company in accordance with the Securities and Exchanges Board of India (Share Based Employee Benefits) Regulations, 2014 ("Securities and Exchange Board of India Regulations").

The details of Employee Stock Options pursuant to Section 62 of the Companies Act, 2013 read with Rules made thereunder and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are provided in **Annexure (VIII)** to this report and there were no options granted to eligible employees during the period.

Certificate from B S R & Associates LLP, Chartered Accountants, (ICAI Firm Registration Number: 116231W/ W-100024), Statutory Auditors of the Company confirming that the scheme has been implemented in accordance with the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 will be placed at the forthcoming Annual General Meeting of the Company for inspection by the members.

Particulars of Employees

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in **Annexure (IX)** to this report.

Compliance With Secretarial Standards

During the year under review your Company has complied with the respective Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings, General Meetings and Dividend.

Material Development after the end of the year

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this Report.

Human Capital and Industrial Relations

Your Company believes that the quality of its employees is the key to its success and is committed to providing necessary human resource development and training opportunities to equip employees with additional skills to enable them to adapt to contemporary technological advancements and builds as a culture which encourages open, fearless and transparent communication. The recruitment process is aligned to attract the best talent available and Diversity at workplace is another priority that has significant emphasis of the Company

Your Company's management firmly believes that a strong and stable industrial relation is key to the success of your organization. Over the years, the management has made sincere and continued efforts for the development of an atmosphere of mutual co-operation, confidence and respect, duly recognizing the rights of the workers. A rigorous labour law compliance mechanism is in place to help the organization run its businesses in the most ethical and efficient manner.

The Directors wish to place on record their sincere appreciation for the co-operation received from employees/workers at all levels.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in the **Annexure (X)** attached hereto and forms part of this report.

Significant and Material Orders Passed by the Regulators/Court

During the year under review, no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company.

Material Changes and Commitments

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year March 31, 2019 to which the financial statements relates and the date of signing of this report.

Change in the Nature of Business

There has been no change in the nature of business of the Company

Investor Education and Protection Fund (IEPF)

In terms of Section 123, 124 and 125 of the Companies Act, 2013, the unclaimed dividends and shares wherein the dividends are unclaimed for a period of seven consecutive years for the Final Dividend for the year 2010-11, Interim Dividend for the year 2011-12 has been transferred to the IEPF Fund/Suspense account respectively. The details of shares transferred is available in the website of the Company.

Further, as per the provisions of Section 125, the share(s) wherein the dividend is unclaimed for a period of consecutive seven (07) years will be transferred to the suspense account as prescribed by the IEPF Rules, therefore the shareholders whose dividends are unclaimed for consecutive seven years from 2011-12 (list of the shareholders along with the unclaimed dividend details are available on the website of the Company www.hil.in/investors are requested to claim their unclaimed dividend at the earliest.

Shareholders are requested to ensure their dividends are encashed on time. In case of non-encashment of dividends, shareholders are advised to approach the Company or RTA to claim their unclaimed dividends.

Acknowledgements

The Board of Directors take this opportunity to place on record their appreciation to all the Stakeholders of the Company, viz., customers, investors, banks, regulators, suppliers and other business associates for the support received from them during the year under review. The Directors also wish to place on record their deep sense of gratitude and appreciation to all the employees for their commitment and contribution towards achieving the goals of the Company.

On behalf of the Board of Directors

CK Birla
Chairman
(DIN: 00118473)

Place: New Delhi
Date : May 27, 2019

ANNEXURE(S) TO THE DIRECTORS' REPORT

Annexure- I: Management Discussion & Analysis Report

Global Economy

Starting on an upbeat note in 2018, the global economy sustained by a pickup in global manufacturing and trade through 2017. Among the developing economies, the East and South Asia regions remained on a relatively strong growth trajectory, amid robust domestic demand conditions. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. The growth constantly lost momentum throughout the year reaching 2.7% in Q4 down from 3.3% in Q1. The deceleration was noticeable both in advanced economies and emerging markets & developing economies (EMDEs). The downfall was on account of several political uncertainties: the future development of the trade disputes between the USA and China, the negotiations on the forthcoming Brexit, the Italian budgetary policy, the economic and political development in Turkey and much more. Despite such reservations, the global growth for the year is estimated at 3.7% as per the world economic outlook update. World merchandise exports totalled $19.48 trillion, up 10% from the previous year. The rise was driven partly by higher oil prices, which increased by roughly 20% between 2017 and 2018.

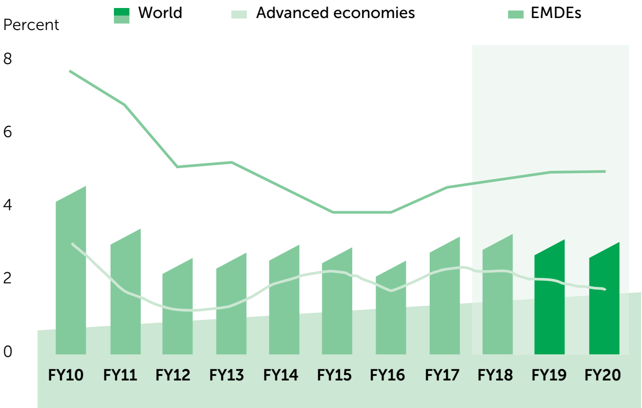
Growth forecasts for next year have been revised down for most of the world's major economies. Global GDP is now expected to increase by 3.5% in 2019, as against 3.7% forecast in May Outlook, and by 3.6% in 2020. With unemployment at all-time low level and labour shortages beginning to rise, the economic growth is projecting a soft landing. Higher interest rates and an appreciating US dollar have resulted in an outflow of capital from emerging economies and are weakening their currencies. The volume of world merchandise trade is likely to grow by 2.6 percent in 2019, with stronger expansion in developing economies (3.4 percent for exports, 3.6 percent for imports) than in developed ones (2.1 % for exports, 1.9 percent for imports). World trade growth anticipated to pick up slightly in 2020 to 3.0 percent, with growth in developing economies (3.7 percent for exports, 3.9 percent for imports) again outpacing developed countries (2.5 percent for exports, 1.9 percent for imports).

Indian Economy

As per 2nd advanced estimates of CSO, the Indian economic growth was revised downwards to 7% from 7.2% in the first advance estimates. Deceleration in the domestic activity was observed for the third consecutive year on account of slowdown in public and private consumption. However, gross fixed capital formation (GFCF) maintained double digit growth for the fifth consecutive quarter in Q3 FY 2019, with the GFCF to GDP ratio rising to 33.1% against 31.8 per cent in Q3 FY 2018 as a result of government's thrust on the road sector and affordable housing. As regards growth of GVA, CSO's advanced estimates were placed at 6.8% in FY 2019 as against 6.9% in FY 2018. The growth slowed down due to reduction in agricultural output from the record level achieved in the previous year. While industrial GVA growth remained unchanged in Q3, manufacturing GVA growth slowed down to a certain extent.

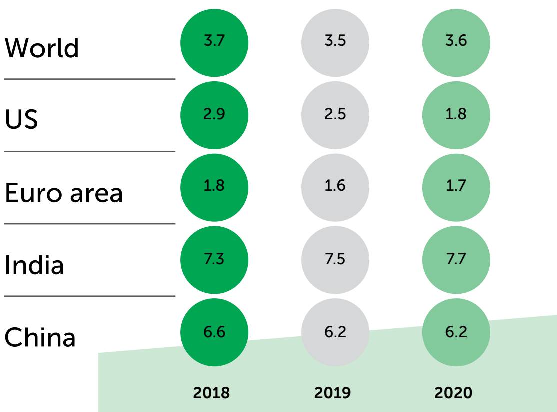
The net export demand moderated in Q3 due to a marginal acceleration in exports and a sharp deceleration in imports led by a decline in crude oil prices. Export growth remained frail in January and February 2019 largely on the back of exports of petroleum products losing pace in response to a fall in international crude oil prices. As regards other exports, engineering goods, chemicals, leather and marine products recorded either sequentially lower or negative growth. However, on the finance front, net FDI inflows remained strong in April-January 2018-19. In addition to this, foreign portfolio

Global economic growth



(Source: Global Economic Performance, 2018. The World Bank)

Growth Forecast (% annual growth)



(Source: IMF)

investors turned net buyers in the domestic capital market in Q4 FY 2019 while India's foreign exchange reserves were at US$ 412.9 billion on March 31, 2019.

Domestic GDP growth for FY20 is projected at 7.4% on account of slowdown in production and import of capital goods. In the coming fiscal, higher financial flows to the commercial sector augur well for economic activity. Private consumption, which remained strong during the year, is also expected to get a boost from public spending in rural areas and an upsurge in disposable incomes of households due to tax benefits. The inflation path in FY20 is likely to be shaped by several factors. With the domestic and global demand-supply balance of key food items anticipated to remain positive, the short-term outlook for food inflation remains soft. Financial markets remain volatile reflecting in part global growth and trade uncertainty, which might influence the inflation outlook. Further, the fiscal situation at the general government level also calls for careful monitoring.

Real Estate Industry

Global Scenario:

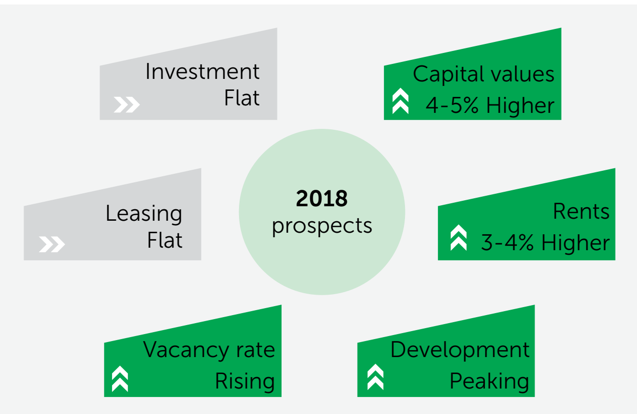
Global real estate sector has maintained a robust performance for the first nine months of 2018. Investment in global commercial real estate increased by 7% YoY to US$ 170 billion Q3 2018. Investor demand for real estate investments has increased rapidly leading to acceleration in the development of commercial real estate. The global volume for completed sales of commercial properties was estimated at US$ 873 billion as on August 2018. Office leasing markets remained active globally, whereas the sales volume of the office leasing sector is on a track to exceed 42 million m2 in 96 markets for during 2018. The rental growth for office premises sector across 30 global cities continued at a steady pace and was reached nearly 4 % by the end of CY 2018. This acceleration represents the strongest rental uplift since 2011. *(Source: JLL, PWC)*

The global real estate industry is anticipated to reach at the spectrum of rapid economic and social change by March 2020. The real estate investment community will develop urbanisation strategies ranging from higher risk opportunistic development to lower risk prime investment in the coming years. In some emerging economies, the growing opportunity for real estate investment will imbibe more complexities. An aggressive rental growth is estimated to remain positive during 2019, depicting a positive increase of 2.6%. *(Source: JLL, PWC)*

Indian Scenario

Real estate sector plays a vital role and is an essential contributor in Indian economic development. This sector encompasses four different sub sectors- housing, retail, hospitality, and commercial. Evolution of nuclear families, rapid urbanisation and rising household income are the key drivers for the development of Indian real estate sector. The retail real estate market has marked a steady increase in H1 2018 with continuous entry of international brands, launch of retail developments and sustained demand for space. In the retail sector, net absorption in H1 FY 2019 has observed a rise of over 75% YoY, recording a total absorption of 1.9 million square feet. Demand for office space was driven largely on account of growth in IT/ITeS, BFSI, consulting and manufacturing sectors. Gross office absorption in top Indian cities increased 26% YoY to 36.4 million sq. ft. during Jan-Sep 2018. *(Source: IBEF, 99 Acres.com, Economic Times)*

Global Commercial Real Market Prospects, 2018



(Source: JLL)

Sales transaction for H1 FY 2019

BFSI	18%
IT/ITES	28%
Manufacturing	14%
Other Services	40%

(Source: Knight Frank Research)

Growth Drivers of the Indian Real Estate Sector

There was a significant increase in the real estate activity in cities like Indore, Raipur, Ahmedabad, Jaipur and other 2-tier cities. This rise has opened new avenues for growth in the domestic real estate sector.

1. Growth in Tourism: One of the major reason for the rapid acceleration in the real estate sector is the endless growth of tourism in India. The growing inflows from tourists are expected to provide a boost to the hospitality sector. Further, India's tourism is expected to touch US $ 418.9 billion by 2022.

2. Rapid increase in population: Present levels of urban infrastructure are inadequate to meet the demands of the existing urban population. There is need for re-generation of urban areas in existing cities and the creation of new, inclusive smart cities to meet the demands of increasing population and migration from rural to urban areas. Future cities of India will require smart real estate and urban infrastructure.

3. Availability of Land and Labour: Land and labour are available at reasonable rates in non-metro cities and smaller towns as compared to metro cities. This leads to affordable prices of real estate in these locations. Land is one of the major components for a typical real estate project. Thus, lower land costs leads to affordable rates of residential units and rentals in case of retail projects.

4. Government Assistance: The Government of India is in the process of launching a new urban development mission. This will help develop 500 cities, which include cities with a population of more than 1 lac and some cities of religious and tourist importance. These cities will be supported and encouraged to harness private capital and expertise through PPPs, to holster their infrastructure and services in the next 10 years. *(Source: India Today, The Economic Times)*

Outlook

The Real estate sector in India is expected to reach US$ 1 trillion by 2030 contributing ~13% to India's GDP by 2025. It is projected that the warehousing space will reach up to 247 million sq. ft. in 2020. Grade-A office space absorption is expected to cross 700 million square feet by 2022, with Delhi-NCR contributing the most. The Government's Housing for all initiative is expected to bring US$ 1 trillion investments in the housing sector by 2025. Real Estate developers, in order to meet the growing need for managing multiple projects across cities, are investing in centralised processes to source material and organize manpower and hiring qualified professionals in areas like project management, architecture and engineering. The growing inflow of FDI into Indian Real Estate sector is encouraging transparency. (Source: IBEF, The economic Times)

Commercial Real Estate Industry

The Commercial real estate market remained a strong beneficiary of India's economic growth. Foreign and domestic companies continue to progressively invest in India's skilled labour and business-friendly investment climate by committing to large office spaces nationwide. The sector dominated residential real estate both in terms of volume and value during Q2 FY 2019. The value of the commercial sector accounted for 7 transactions worth $766 million whereas the residential sector stood at $ 34 million across 3 transactions during the same period. India observed a robust growth in the leasing volume for Q2 FY 2019 with about 12.6 million sqft of total leasing volume driven by expansion of technology occupiers. The total share of office leasing volume has been segregated between the major Indian cities.

The commercial real estate sector is backed by high Foreign Direct Investment (FDI) inflow and is projected to be in a positive trend. The recent reforms initiated by the government brings in more transparency and thus more confidence in the real estate sector in India. The "Make in India" investment campaign is a major the growth driver leading to the growth in commercial real estate sector specifically in real assets like warehouses, industrial assets and logistics assets. The implementation of GST has made this sector more organised and systematic to operate.

(Source: Fitch Ratings, The Economic Times)

Growth Drivers

The Commercial real estate sector witnessed a rapid growth in India because of the following reasons:

- Increasing number of start-ups in key cities such as Gurgaon and Bengaluru has accelerated the development of corporate building construction.

- Since India has a mixture of variant consumers with variable tastes and preferences, the demand for the

Total Leasing Volume

Delhi-NCR	28%
Mumbai	14%
Hyderabad	8%
Chennai	8%
Pune	6%
Kolkata	2%

(Source: Knight Frank Research)

development of shopping complexes have increased in cities like Indore and other tier 2 smart cities.

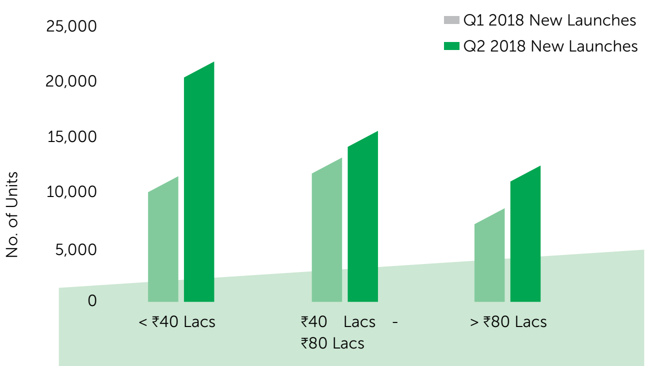
- With rising property prices and availability of good office spaces in smaller cities, corporates have started to expand in tier II and tier III cities as well. Similarly, IT parks and SEZs are also developing in the smaller cities.
- Commercial entities consider real estate property purchasing as a tax saving instrument as governments provide tax credits, deductions, and subsidies. Also, government is providing tax benefits to encourage general people to invest more.
- Financial and IT giants outsource business processes to emerging economies and are responsible for some of the top real estate transactions worldwide.

Residential Real Estate Industry

Residential real estate sector has made a strong comeback in the H1 FY 2019 with sale of residential property. The sales volume of the residential real estate sector recorded a 25% YoY increase in the top cities. New and innovative residential launches have grown across the top 7 cities which are Mumbai, NCR, Bengaluru, Chennai, Hyderabad, Kolkata and Pune in the country. The sector witnessed a 65% growth in launches during 2018 backed by 17–20% growth in sales. Factors such as reduction of overall project cost through use of innovative construction technologies and value engineering, credit linked subsidy schemes and applying infrastructure status to affordable housing contributed positively towards the growth of the sector. The sector observed more prudent launches by players, resulting in a 13-15 % decline in inventory. With asset valuations remaining flat in last five years, affordability has improved significantly over time. The number of new launches in these cities increased from a total of 34,834 units in Q4 FY 2018 to 42,975 units in Q2 FY 2019.

The demand for residential property is estimated to grow at CAGR of 4% between FY 2019 to 2021 led by key micro-markets of Bengaluru, Hyderabad and Pune. This marginal growth of residential property would be further driven by first time buyers belonging to middle group income, generally priced between ₹25 lac to 1 Crores. Further, with most RERA websites operational and a grievance-handling mechanism in place in major states, end-user participation is likely to improve gradually for under-construction properties too.

Affordable Housing: 100 per cent jump and key growth contributer to Q2 supply



By placing focus on smart and green cities which are ecological, larger and economically feasible, the insight about Indian construction sector is not only adopting positive implications, but is poised to play a catalytic role in nation building. Despite some short-term liquidity crisis confronting the sector, NRI investments, FDI, private equity and debt players together with government's ambitious scheme such as Housing for All will be prime movers in propelling this sector. *(Source: Grant Thornton, The Times of India, Housing.com, CII)*

Investments made in the Indian Real Estate Sector

As per the data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector has received FDI equity inflows of around US $ 24.87 billion between April 2000 - June 2018. The major investments made in this sector are as under:

1. Private Equity and Venture Capital Investments in the real estate sector made between January-August 2018 is projected around US$ 2.99 billion.
2. The Embassy Office Parks in September 2018 announced that it would raise around ₹52 billion (US$ 775.66 million) through India's first Real Estate Investment Trust (REIT) listing.
3. In August 2018, IT parks and commercial real estate got the biggest investment share of $2,000 million or around ₹13,151 Crores, followed by the retail real estate at around $300 million or ₹1,898 Crores. (Source: IBEF, The Economic Times)

Government Initiatives

The Real Estate Sector in India is observing a restoration with several structural changes initiated by the government. The housing sector is on a growth trajectory on account of tax offering and fiscal incentives to builders and consumers, and through new consumer friendly policies.

1. **Real Estate (Regulation and Development) Act, 2016:**

   The Real Estate Act, 2016 which came into force in March 2016 has laid down a regulatory framework which will change the way the real estate sector operates in India by 2025.The RERA Act has immense potential to revive consumer's confidence and drive momentum in the development of residential sector.

2. Pradhan Mantri Awaj Yojana (PMAY) Urban Scheme: The main motive of PMAY scheme is to make housing affordability by 2022. The "Housing for All" initiatives under this Yojana has expanded its scope to accolade the Middle Income Group (MIG) along with the lower income groups (LIG) and economically weaker sections of the society. Under the PMAY Urban Scheme, 6,028,608 houses have been sanctioned up to September 2018.

3. Smart City Project: As per the Smart City Project, the government has plans to build 100 smart cities by 2025. In September 2018, the smart cities mission has received an allocation of ₹2.04 lac Crores covering selected 99 cities. While projects worth ₹20852 Crores are in progress for the smart cities extension. The prime agenda for the Smart Cities Mission is to promote core infrastructure and a sustainable life for the citizens of India. The Government is on the verge to use smart solutions and technologies in the coming years. This initiative will further bring tier 1 and tier 2 into the main stream to redevelop slums and other unorganised areas into planned spaces.

4. GST Implementation: The construction of a complex building, civil structure intended for sale to a buyer, wholly or partly is subjected to 12% with full input tax credit. With the introduction of GST, the total incidence of tax have accelerated. The Government is planning to extend GST exemption for affordable housing projects so that affordable homes become cheaper under the GST regime. The GST council has extended the concessional rate as mentioned, for construction of houses under the Credit Linked Subsidy Scheme (CLSS). (Source: Housing.com, The Economic Times, Grant Thornton)

Building Material Industry

The building material industry in India is growing rapidly due to rising population. It contributes ~9% towards Indian economic growth and provides employment to 35 million people. This sector has been segregated into eight key sectors such as Cement, Structural steel, Bricks, Paints, Plumbing, PVC, Ceramic tiles, Plywood, Laminates and Lightning. The building material sector contributes to 55% share in steel industry, 15% in Paint Industry and 30% in the glass industry.

Building Material Industry

Steel Industry	55%
Paint Industry	15%
Glass Industry	30%

(Source: Knight Frank Research)

Cement sector is the key sector of the building material segment. The housing and real estate sector are the biggest demand drivers, accounting for about 65% of the total consumption in India. The cement output of the country rose to 5% in October 2018 from 4.8% in October 2017. As per Budget 2018-19, the Indian government has announced to set up an Affordable Housing Fund of ₹25000 Crores (US$ 3.86 billion) under the NHB (National Housing Bank) which will be utilised for easing credit to home buyers. The move is projected to boost the demand of cement from the housing segment.

The building material industry in value terms is expected to reach a CAGR of 15.7% to US$ 738.5 billion by 2022. This growth is expected on account of focused phase wise development in road and railway network, port and airport development, solar park development, strengthening of logistics and warehousing segment, affordable housing launches and metro rail network expansion. This versatile sector is expected to emerge as the third largest sector globally. The growth in this sector is projected at about 7-8% pa over the next 10 years. (Source: IBEF, Economic Times, Business Wire, Thepropertytimes.in)

Roofing Industry

Indian roofing industry has been evolving at a rapid pace in recent time. The entry of several new innovative technologies and concept has dramatically changed this dynamic industry. One of the major reasons for the significant growth in roofing solutions is the rapid change in urbanization patterns. Further, rapid growth in urban infrastructure, be it a luxurious airport or a glitzy IT park roofing, has also become an integral part.

Innovative Trends in Roofing Industry

The roofing industry in India is preparing for the next generation of ambitious projects. Growth in the infrastructure and industrial segment has been a major demand driver for roofing industry. Major shift is observed from conventional roofing system to metal cladding solutions. Customers are looking for architectural solutions which provides innovative shapes such as convex, concave in addition to new attractive colors. The future of the roofing industry is quiet promising due to the low steel production and high demand in building material industry.

Fibre Cement Sheet Market Overview

Fibre Cement Sheets are used across India for roofing of kuccha houses, cattle sheds, poultry farms, factories and warehouses. This market is worth ₹3900 Crores with top six players accounting for 75% - 80% of the size. The demand for the product is mainly driven by rural economy led by the method of housing construction, its affordability and durability. The main demand driver for cement roofing sheets is the development of pucca housing sector especially in rural area. The development of rural areas are dependent on Minimum Support Price (MSP), fair wage rate payment and good monsoon. The production of fibre cement sheets is further driven by steel prices, utilization of alternative products such as metal cladding sheets and higher competitiveness of the product. The other factor that affect the demand and supply are improved disposable income in the hands of rural population, reduction in tax rates, increased farm productivity, nuclearization of families and most importantly Government Focus on Housing.

Fibre Cement Boards industry is rapidly increasing driven by growing awareness, increasing applications and rising preference over the competing products. The industry comprise key variants like fibre cement boards, calcium silicate boards and gypsum boards. Currently, non-asbestos cement boards and panel industry size is estimated at ₹23300 Crores and has been growing at 20-25% CAGR over the last five years. The major driver for the cement Boards and Panels market is the need for speed, the spread of dry construction or dry wall as an accepted method, non-availability of sand and water at construction sites and lack of skilled masons across the country. (Source: IIFL, India Today)

Company Overview

HIL has grown to become one of the most respected companies and a market leader in the building material products' space. The organization is built on over 70 years of perseverance and sterling dedication to break new ground and make significant contributions to rapidly advance the building material industry. HIL is a one-stop solution for all building material requirements with its key prominent brands which includes; **Charminar** – India's largest manufacturer of fibre cement roofing solutions, **Birla Aerocon** – India's leading Building Solutions brand comprising of dry and wet walling and **Birla HIL** comprising of CPVC / UPVC pipes & fittings and Wall Putty, **HYSIL** – The leading brand in green industrial insulation and **Parador**- The leading international premium brand for wooden flooring. Equipped with a strong mix of state-of-the-art manufacturing facilities, pan-India presence, unparalleled distribution network and meticulous customer care culture, HIL is leading and shaping building material products' industry in India.

Strengths

1. HIL has a strong in-house R&D team, which consists of experts who develop innovative technologies that will redefine industry standards. This inturn will provide solutions that are cost effective and environment friendly.

2. HIL is the first to set up an Engineering Division with in house state-of-the-art capability to manufacture Plant & Machinery for corrugated sheets.

3. HIL is amongst one of the top three companies in the world who manufactures AC steel templates.

4. HIL has a diversified geographical presence, with 21 Manufacturing Facilities located across India. The organization currently has an active 4500+ retailer network and 40+ depots.

5. The organization has a strong presence in the roofing solutions market in the country. Charminar, being the flagship brand of HIL is an established market leader in roofing and cladding solutions.

6. HIL is the only company in the industry to have Environment, Health and Safety wing to monitor health of each employee and participating in the global Chrysotile forum.

7. With the acquisition of **Parador** a leading brand in Germany, HIL has expanded its footprint in 80+ countries.

IBAS Framework

- Innovation

  Innovation has always been the key USP of HIL over the past decades. The company ensures innovative techniques such as green practices in every facet of their operations including raw materials, processing, energy and end products. HIL provides a continuous range of eco-conscious future ready products that are designed to leverage the Indian roofing and building industry. The unique "Five way green" philosophy of the organization ensures that their products and processes are environmental friendly from end to end channels.

- Brand

  HIL is one of the most respected names in the building solutions industry. The organization has three major brands namely; **Charminar, Birla Aerocon, Birla HIL and HYSIL**. Recently it has acquired **Parador**, which is an international premium brand for flooring solutions. HIL has been felicitated as India's most trusted brand 2017. The company enjoys the honour of "Super Brand" title ranking amongst the top 20 of all other super brand categories across India.

- Architecture

  HIL believes in "Open Work Culture" with an encouraging leadership which forms an essential mind-set in today's work culture. With a clear vision HIL has achieved a steady growth along with quality products.

- Strategic Assets

  HIL has established a strong relationship with its customer and client base globally. The Company has vested on world class R&D, leveraging their technological advancements across their manufacturing facilities in India.

Product Portfolio

HIL provides an exhaustive range of eco-conscious future ready products that are designed to take the roofing and building industry to a next level.

- Roofing Solutions

  Roofing Solution comprises of the following roofing solutions namely; Fibre Cement Sheets, Coloured Steel Sheets and Non-asbestos cement based corrugated sheets.

  The Charminar Fibre Cement Sheets are an ideal building material utilized for roofing and cladding solutions in all types of industrial buildings, food storages and godowns, multiplexes, poultry farms etc. These sheets are manufactured to exceed the requirements of strength specified in the relevant Indian standards. The fibre sheets are mostly available in natural grey and are the most widely appraised product of HIL.

  The Charminar coloured sheets are designed to withstand extreme weather conditions. The anti-rust technology used in these sheets ensures longevity of the product. These coloured steel sheets are especially designed to overcome industrial and design facades. The Charminar steel sheets have a painted finish that is uniform in colour, gloss, texture and thickness. These coloured sheets are utilized in roofing and cladding solutions, consumer goods, transport sector and in all types of industrial buildings Charminar sheets are utilized to set up all types of industrial buildings, warehouses, sheds, verandas etc.

  The Next Gen non-asbestos roofing solutions under the brand Charminar Fortune is the latest innovation by HIL in economic and durable roofing segment. These asbestos are eco-friendly in nature and have good dimensional stability.

- Building Solutions

  Building solutions are reported to be a good traction with the dedicated solutions oriented approach of the company. A rising growth has been observed in wet walling, dry walling segment and thermal insulation during FY 19. The building solutions segment is categorized into two divisions viz; Wet Walling and Dry Walling Solutions. The Wet Walling solutions consists of Fly Ash blocks, block joining mortar and ready mix plasters.

  Birla Aerocon is India's leading manufacturer of Fly Ash Blocks (AAC). These blocks offer effective and practical solutions for current building regulations. AAC blocks have a super acoustic insulation process and are manufactured using latest technologies at India's most advanced AAC facilities located at Chennai, Golan, Jhajjar and Thimmapur.

  The Birla Aerocon Solid Wall Panels falls under the category of dry walling solutions. These wall panels are used for making mezzanine floors, bounding, cladding solutions for educational institutions, and constructing fire separation walls amongst others. The panel's unique tongue and groove joint makes easier for uninstalling purposes.

  The HYSIL pipes and block chains are pre formed, high temperature and abuse resistant pipes with exceptional structural strength. These pipes are composed of Hydrous Calcium Silicate (Calsil), which are structured for use on systems operating up to 1100°C. HYSIL has a good flexural strength and water absorbent characteristics. These pipes and block chains are utilized in constructing distillation towers, desulphurisation units and processing of pipelines.

- Polymer Solutions

  Polymer solutions consists of various ranges of pipes and fittings and Wall Putty. The **Birla HIL** Pipes and Fittings are segregated under the category of Polymer Solutions solutions. HIL offers a wide range of products which includes CPVC, UPVC and SWR Pipes and Fittings and Wall Putty. These are manufactured utilizing eco-friendly technology. The CPVC and UPVC pipes, fittings and solvents are used for broad range of applications. CPVC applications are for potable water distribution, corrosive fluid handling in industry, and fire suppression systems. UPVC pipes are incredibly strong, stiff and cost-effective so are often used for sewage lines and exterior drainage pipes. The Column Pipes & Fittings are specially designed threads and EPDM 'O' to ensure 100% leak proof joints.

- Flooring Solutions

  Parador is a leading international premium brand for wooden flooring, recently acquired by HIL. It has contemporary approach and provides floors that are innovative and sustainable. **Parador** is segregated into three categories namely; Engineered wooden flooring, laminate flooring and resilient wooden flooring. The **Parador** engineered wooden flooring offers ways of practising an insightful furnishing style right from the floor. While the laminate flooring solutions offer authentic interpretations of high quality materials. Lastly, the resilient vinyl flooring is high quality synthetic floors which are utilized for interior designing purposes.

Wind Power

HIL has invested in setting up Wind Power Plants in selected regions of the country. The company has an existing capacity of generating 9.35 MW of Wind Turbine Generators installed at Gujarat, Tamil Nadu and Rajasthan. The energy generated from these projects is partly used for captive consumption at the Company's AAC Blocks manufacturing units in Gujarat and Tamil Nadu and partly sold to the electricity distribution companies in the respective states.

Research and Development

Your Company is committed to invest in world-class technology development, particularly on environment friendly Green Building Products (GBP). The continuous efforts on R & D activities with focus on areas such as designing and developing new products, de-risking the business, improving manufacturing processes with respect to environment, health and safety, quality up-gradation of existing products and researching future technologies for total building solutions have given the company a positive response.

HIL is the first company in the real estate industry to have state of the art research centre to develop latest technology product. Well experienced, qualified and a fully dedicated team is actively working in conjunction with the business development teams of the organization in developing energy efficient and pollution free processes, new application development, variants in products, business continuity, cost reduction and enhancement in product quality. Over the years HIL has continuously invested on R&D and upgrading technologies across their manufacturing facilities. Hence, sustainable investments in technologies have allowed the company to produce efficiently with greater productivity.

Financial Overview on Standalone basis

(₹ in Crores)

Particulars	2018-19	2017-18	% Growth
Revenue from operations	1482	1326	12%
PBT	160	120	34%
EBITDA	222	171	30%
EBITDA Margin	15%	13%	
PAT	101	81	26%
Net Profit Margin	7%	6%	
Net Worth	647	566	14%
Debt Equity Ratio	0.60	0.12	
Debtors Turnover (No. of days)	55	57	
Inventory Turnover (No. of days)	6.74	7.16	-6%
Interest coverage ratio (No. of days)	9	32	
Current ratio	0.86	1.33	
Return on Net Worth	16%	14%	

During the year, your Company witnessed an increase in Debt Equity Ratio by 48 basis points, growing from 0.12 times to 0.60 times. This was on account of our latest acquisition of Parador. We continued to monitor our debtors cycle with effective collection, with debtors turnover ratio maintained at 55 days during the year. In addition, the current ratio was posted at 0.86 times, the inventory turnover reduced by 6% demonstrating a efficient reduction in inventory holding. Also, the company's return on networth witnessed an increase from 14% to 16% during the fiscal, validating strong profitability in our business model.

Human Resource

HIL ranks engagement, development and retention of talents as its highest priority to enable achievement of the organizational growth. The organization is committed to the welfare and career growth of its people. The in-house talent acquisition team is totally aligned to extract the best quality and diversified talent. Over the years the management has made sincere efforts for the development of an atmosphere of mutual co-operation, confidence and respect duly recognizing the rights of the workers. As on March 31, 2019, the total employee strength of HIL is 4950 + employees.

Great Place to Work

HIL was awarded Great Place to Work certificate in the first attempt for the year 2019-20. We achieved this certification based on extremely high satisfaction score provided by our employees in anonymous surveys.

Environment, Health & Safety

The Company believes that a clean environment in and around the work place fosters health and prosperity for the individual, the group and the community they belong to. Regular medical examinations of employees and health care schemes are an integral part of the Company's policy. Health surveillance of employees as per national regulations and ILO recommendations is an on-going process. From the environmental standpoint, the company creates a systematic approach for waste management, compliance with environmental regulations and reduction in its carbon footprint. Stack emissions and work place dust levels are evaluated to assess the fibre concentration the work environment. The safety department of the company ensures availability and utilization of Personal Protective Equipment (PPE). It also conducts multi cause analysis of any incident occurred with the premises of the organization.

Risk Management

Risk	Impact on value created	Mitigation and opportunities
Commodity price, exchange rate and interest rate exposure	• Volatility can result in lower revenue growth • Higher borrowing cost • Higher capital expenditure and acquisition costs • Lower profitability and cash flow	• Diversified revenue stream into various segments and key markets • The Company enters into forward contracts for hedging foreign exchange exposures against imports
Inter-Cultural Risk between India and Germany	• Unforeseen difficulties in integrating operations and entering geographies • Potential loss of key employees • Diversion of financial and management resources	• Successfully integrated Parador into HIL's business without amending its strategic priorities. • Enhanced geographical footprints, post-acquisition of Parador, in attractive areas where HIL is underrepresented • Strategic action plans set with focus on key parameter including financial, commercial and human resources imperatives • Post-acquisition regular reviews are conducted
Cost and supply of raw materials	• With fluctuation in cost and input material price, this could have a material adverse effect on the businesses, financial position or results	• Your Company has a strong relationship with its customers, which enables the company to command better realization. • Purchase of raw material in bulk enables the company to secure goods at a reasonable rate • Your company sources its material from various geographies across the world, hence reducing the impact of cost fluctuation in few markets
Human Capital	• Temporary disruption of operations • Inability to recruit and retain qualified employees, could hurt the ability to operate and make it difficult to execute acquisition and internal growth strategies.	• Your Company takes pride in attracting and retaining highly dedicated and customer focused employees at all levels of the organization. • Your Company has been recently accredited as Great Place to Work, thereby commanding better respect in the market. • High career and learning opportunity provided to employees helped to retain them.

Risk Management

Risk	Impact on value created	Mitigation and opportunities
Innovation, digital revolution and Cyber Risk	• Failure of providing innovative solution may lead to loss of key customers and market share • Hamper brand reputation • Slow the growth rate	• The strategy of the company is focused on research and innovation, in order to remain competitive and maintain a high level of financial and non-financial performance and operational excellence • Keep pace with changing technology dynamics and integrate new technologies into the product offering to capitalized effectively the customer's need

Outlook

After two consititutive years of growth, your Company is on its way to become one stop shop for all Building Materials and products. Through optimised distribution and strong marketing, company remained a leader in the roofing business and its wet walling and dry walling business. Your Company is planning to further grow its Polymer Solutions business by way of capacity expansion and network expansion. Also, it is improving efficiencies in the plants in order to drive the profitability of the business relentlessly. Acquisition of **Parador** during the year has facilitated company's entry into the flooring solution segment, enabling its transition into a global player. **Parador's** strong fundamentals will contribute significantly to overall growth of the company internationally. The acquisition of **Parador** fuels our passion "Together We, Build" as we move ahead towards building a global building material entity.

Cautionary Statement

Statements in the Directors' Report including Management Discussion & Analysis Report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations and reflects only the Management's perception and assessment. Actual results may differ materially from those expressed in the statement and the Company assumes no responsibility in respect of forward looking statements made herein which may undergo changes in the future. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, exchange rates, changes in Government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Annexure (II): Annual Report on Corporate Social Responsibility (CSR) activities (Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder)

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

To actively contribute to the social and economic development of the communities in which we operate and in the process, build a better, sustainable way of life for the weaker sections of society and to contribute effectively towards inclusive growth and raise the country's human development index.

Our projects mainly focus on healthcare, education, sustainable livelihood, infrastructure development and social reform, epitomising a holistic approach to inclusive growth.

The Board of Directors have adopted a CSR Policy in line with the Section 135 of the Companies Act, 2013.

The Company's CSR policy can be accessed on http://hil.in/investors-relations/.

2. Composition of the CSR Committee:

Sl. No.	Name	Designation and Category
1	Mr. Desh Deepak Khetrapal	Chairman-Non Executive Director
2	Mr. V. V. Ranganathan&	Member- Independent Director
3	Mrs. Gauri Rasgotra	Member-Independent Director
4	Mr. Yash Paul*	Member-Independent Director

& Appointed w.e.f March 19, 2019; * Resigned w.e.f March 19, 2019

3. Average net profit of the Company for last three financial years:

Average net profit: ₹8172.91 Lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend: ₹163.46 Lacs towards CSR.

5. Details of CSR spent during the financial year:

a) Total amount spent for the financial year is **₹204.71 Lacs** (represents an amount of ₹163.46 Lacs required to be spent for the financial year 2018-19 and balance ₹41.25 Lacs voluntarily spent by the Company).

b) Amount unspent, If any: **Nil**

c) Manner in which the amount spent during the financial year is detailed below:

₹ Lacs

Sl. No.	Sector	Budget allocated	Projects/Activities	Locations Districts (State)	Amount Outlay (budget) Project or Programs wise	Amount Spent on the Project or Programs	Cumulative expenditure up to reporting period	Amount spent: Direct or through implementing agency*
1	Schedule VII (i, ii & iii) Eradicating Hunger, Poverty, Promoting Health Care, Sanitation, Swachh Bharat, Drinking Water, Promoting Education, vocation skills and development of livelihood	217.00	Development of Livelihood, education and eradicating hunger & malnutrition at villages	Delhi	50.00	50.00	50.00	Vanvasi Raksha Parivar Foundation, Cultural Society for Tribal (Trust/Society)
			Promoting Health including preventive care for Retinal Cell Therapy Project for prevention and cure of retinal disease	Hyderabad	100.00	100.00	150.00	Hyderabad Eye Institute (Trust of LV Prasad Eye Institute)
			Renovation of orphanage, Utkal Balashram, Balasore, Dist. Balasore	Balasore	3.00	2.89	152.89	Company
			Renovation of Bore well for Safe Drinking Water at Gobinda Jew Temple, Naraharipur, Remuna, Balasore, Dist. Balasore	Balasore	1.00	0.67	153.56	Company
			Renovation of Government School in Faridabad (Provision of Civil works, Electrical Works & infrastructure)	Faridabad	4.00	3.98	157.54	Company
			Installation of bore well for drinking water in Santhali Village,Jasidih,Deoghar	Jasidih	1.00	1.00	158.54	Company with help of District Collector
			Renovation of Old Age Home Saras Kunj, Baghmara,Jasidih,Deoghar	Jasidih	2.00	2.00	160.54	Company with help of District Collector
			Toilet complex built in Govt primary School, Bodi Ka Pura, Mungra Badshahpur,Jaunpur	Satharia	7.00	4.52	165.05	Company
			Renovation work of Community health centre(CHC) Madhiahu	Satharia	1.00	3.49	168.54	Company
			Renovation of Govt Middle Primary School, Jalhupura,Varanasi	Satharia	1.00	1.31	169.85	Company
			Constructions & repairing of public toilets under Swatch Bharat Mission	Wada	2.00	1.72	171.56	Company
			Infrastructure Development Govt High School	Wada	1.00	1.22	172.78	Company
			Sponsoring Education of Girls Students	Hyderabad	6.00	6.04	178.82	Company (CSS Girls High School)
			Support for class X students at Govt. High School	Hyderabad	0.50	0.70	179.52	Company /Abhaya Foundation
			Employment Enhancement Trainings to Women	Hyderabad	1.00	1.00	180.52	Company/ Confederation of Women Entrepreneurs-India
			Development of School with Infrastructure Facilities	Golan	10.00	9.80	190.32	Company / Manav Kalyan Trust
			Support to Class X Students of Govt High School, Sanathnagar	Hyderabad	3.00	3.30	193.61	Company/Local Authorities
			Provision of Safe Drinking Water at Atkur (Village), G.Kondur Mandal, Krishna Dist, Andhra Pradesh	Kondapally	1.00	5.01	198.62	Company/Local Authorities

Sl. No.	Sector	Budget allocated	Projects/Activities	Locations Districts (State)	Amount Outlay (budget) Project or Programs wise	Amount Spent on the Project or Programs	Cumulative expenditure up to reporting period	Amount spent: Direct or through implementing agency*
			Meal Program to eradicate malnutrition at villages in Kondapally	Kondapally	2.00	1.00	199.62	Company with help of District Collector
			Infrastructure Facilities at Z.P. Boys High School and Z.P Girls High School, Kondapalli , Ibrahimpatnam	Kondapally	4.50	1.46	201.08	Company
			Education and Health, Village and Old age Homes	Chennai/ Jhajjar/ Dharuhera/ Golan	16.00&	0.00	201.08	N/A
2	Schedule VII (X) Rural Area Development	3.00	Support for renovation Police Station, NH16, Artung, Balia, Baleshwar, Odisha	Balasore	0.00	0.09	201.17	Company
			Provision of Street Lighting in remote areas	Thimmapur	3.00	3.53	204.71	Company
	Total	**220.00**			**220.00**	**204.71**		

Note:

* Details of the Implementing Agencies.

& part of the voluntarily budgeted activities, which were not taken up due to delays in local NGO's/Authorities etc,.

A few of the projects undertaken in the table above are multi-year projects

6. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

CK Birla
Chairman-Board of Directors
DIN: 00118473
May 27, 2019

Desh Deepak Khetrapal,
Chairman - CSR Committee
DIN: 02362633
May 27, 2019

Annexure (III): Extract of Annual Return

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT – 9

I. Registration and Other Details:

CIN	L74999TG1955PLC000656
Registration Date	23.06.1955
Name of the Company	HIL Limited
Category / Sub-Category of the Company	Company Limited by Shares Public – Non Government Company
Address of the Registered Office and contact details	Office No. 1 & 2, L7 Floor, SLN Terminus, Sy. No.133, Gachibowli, Hyderabad -500032, Telangana. Tel: 040-68249189
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate investments Private Limited. 12-10-167, Bharat Nagar, Hyderabad – 500018 Tel: 040-23818475 / 76 Contact Person: Mr. E Satya Prasad Tel: 040 23818475 / 476 Email: info@vccipl.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
01	Fibre cement sheets	23953	57%
02	Fly Ash Blocks	23954	11%

III. Particulars of Holding, Subsidiary, Joint Venture and Associate Companies:

Sl. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Country	Applicable Section
1	HIL International GmbH, Germany Millenkamp 7-8, 48653 Coesfeld, Germany	Foreign Company	Subsidiary Company	100	Germany	2(87)
2	Parador Holding GmbH, Germany Millenkamp 7-8, 48653 Coesfeld, Germany	Foreign Company	Step Down-Subsidiary Company	100	Germany	2(87)
3	Parador GmbH, Germany Millenkamp 7-8, 48653 Coesfeld, Germany	Foreign Company	Step Down-Subsidiary Company	100	Germany	2(87)
4	Parador Parkettwerke GmbH Wiener Strasse 66, 7540 Güssing, Austria	Foreign Company	Step Down-Subsidiary Company	100	Austria	2(87)
5	Supercor Industries Limited, 5 Ashaka Close, Industrial Estate, P.O. Box 51, Bauchi, Nigeria	Foreign Company	Joint Venture	33%	Nigeria	2(6)
6	Parador (Shanghai) Trading Co. Ltd. Room 1006, Floor 10, No.233 Taicang Road, Huangpu District, Shanghai Municipality, the People's Republic of China	Foreign Company	Step Down – (Joint Venture)	50%	China	-

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category code	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year on no. of shares
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoter and Promoter Group										
1 Indian										
(a)	Individuals/ Hindu Undivided Family	51376	-	51376	0.69	51376	-	51376	0.69	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	3007836	-	3007836	40.31	3007836	-	3007836	40.26	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		**3059212**	**-**	**3059212**	**40.99**	**3059212**	**-**	**3059212**	**40.95**	**-**
2 Foreign										
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		**3059212**	**-**	**3059212**	**40.99**	**3059212**	**-**	**3059212**	**40.95**	**-**
(B) Public Shareholding										
1 Institutions										
(a)	Mutual Funds/ UTI	165932	300	166232	2.23	230012	300	230312	3.08	0.85
(b)	Financial Institutions/ Banks	10733	4329	15062	0.20	7557	4329	11886	0.16	(0.04)
(c)	Central Government/ State Government(s)	314416	-	314416	4.21	307917	-	307917	4.12	(0.09)
(d)	Alternate Investments Funds	183995	-	183995	2.47	267038	-	267038	3.57	1.10
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-

Category code	Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year on no. of shares
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g)	Foreign Institutional Investors	-	-	-	-					
(h)	Foreign Venture Capital Investors	-	-	-	-					
(i)	Foreign Portfolio Investors – Corporate (FPI)	221657	-	221657	2.97	313404	-	313404	4.19	1.22
(j)	Foreign Bodies Corporate	122000	-	122000	1.63	122000	-	122000	1.63	0
(k)	Qualified Foreign Investor	-	-	-	-					
	Any Other (specify)	-	-	-	-					
Sub-Total (B)(1)		1018733	4629	1023362	13.71	1247928	4629	1252557	16.75	3.04
2 Non-Institutions										
(a)	Bodies Corporate	846061	1790	847851	11.36	384874	1790	386664	5.18	(6.18)
(b)	Individuals –									
I	Individual shareholders holding nominal share capital up to ₹1 Lac.	1911756	92237	2003993	26.85	1973631	60519	2034150	27.23	0.38
II	Individual shareholders holding nominal share capital in excess of ₹1 Lac.	375703	-	375703	5.03	509223	-	509223	6.82	1.79
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	
(d)	Foreign Body Corporate	-	-	-	-	-	-	-	-	
(d1)	Clearing Members	18344	-	18344	0.25	10681	-	10681	0.14	(0.11)
(d2)	NRI	111247	-	111247	1.49	189711	-	189711	2.54	1.05
(d3)	Trust	3500	-	3500	0.05	945	-	945	0.01	(0.04)
(d4)	OCBs	-	-	-	-	-	-	-	-	0
(d5)	GDR	-	-	-	-	-	-	-	-	0
(d6)	IEPF Authority	19351	-	19351	0.26	28200	-	28200	0.38	0.12
Sub-Total (B)(2)		3285962	94027	3379989	45.30	3097265	62309	3159574	42.30	3.00
Total Public Shareholding (B) = (B1 +B2)		4304695	98656	4403351	59.01	4345193	66938	4412131	59.05	0.04
TOTAL (A) + (B)		7363907	98656	7462563	100.00	7404405	66938	7471343	100.00	
(C) Shares held by Custodians and against which Depository Receipts have been issued.		-	-	-	-	-	-	-	-	-
Sub-Total (C)		-	-	-	-	-	-	-	-	-
Grand Total (A)+(B)+(C)		7363907	98656	7462563	100.00	7404405	66938	7471343	100.00	-

ii. Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Amer Investments (Delhi) Limited	308763	4.14	-	308763	4.13	-	-
Ashok Investment Corporation Limited	317743	4.26	-	317743	4.25	-	-
Central India Industries Limited	1074634	14.40	-	1074634	14.38	-	-
Chandra Kant Birla	51376	0.69	-	51376	0.69	-	-
Gwalior Finance Corporation Limited	96200	1.29	-	96200	1.29	-	-
Hitaishi Investments Limited	67066	0.90	-	67066	0.90	-	-
Hyderabad Agencies Private Limited	4100	0.05	-	4100	0.05	-	-
Orient Paper and Industries Limited	906360	12.15	-	906360	12.13	-	-
Ranchi Enterprises and Properties Limited	4500	0.06	-	4500	0.06	-	-
Shekhavati Investments and Traders Limited	224470	3.01	-	224470	3.00	-	-
Universal Trading Company Limited	4000	0.05	-	4000	0.05	-	-
Total	**3059212**	**40.99**	**-**	**3059212**	**40.95**	**-**	**-**

iii. Change in Promoters' Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	3059212	40.99	3059212	40.99
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	No change during the year			
At the end of the year	3059212	40.99	3059212	40.95

iv. Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (01-4-2018 to 31-3-2019)	
		No. of Shares at the beginning 01-4-2018	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Minal Bharat Patel	753	0.01	Apr-1-18				
				Jun-1-18	-700	Sale / Transfer	53	0.00
				Aug-31-18	210	Purchase	263	0.00
				Sep-7-18	1240	Purchase	1503	0.02
				Sep-14-18	-1500	Sale / Transfer	3	0.00
				Dec-19-18	300	Purchase	303	0.00
				Mar-22-19	85415	Purchase	85718	1.15
				Mar-31-19			**85718**	**1.15**
2	Finquest Financial Solutions Pvt. Ltd.	354594	4.75	Apr-1-18				
				Apr-13-18	292	Purchase	354886	4.75
				Apr-27-18	-24883	Sale / Transfer	330003	4.42
				May-4-18	-23000	Sale / Transfer	307003	4.11
				May-11-18	-21500	Sale / Transfer	285503	3.82
				May-18-18	-15000	Sale / Transfer	270503	3.62
				May-25-18	-2500	Sale / Transfer	268003	3.59
				Jun-1-18	-4000	Sale / Transfer	264003	3.53
				Aug-3-18	-6000	Sale / Transfer	258003	3.45
				Aug-10-18	-14400	Sale / Transfer	243603	3.26
				Aug-31-18	-20100	Sale / Transfer	223503	2.99
				Sep-7-18	-30000	Sale / Transfer	193503	2.59
				Sep-14-18	-10000	Sale / Transfer	183503	2.46
				Sep-29-18	-1000	Sale / Transfer	182503	2.44
				Oct-26-18	-3000	Sale / Transfer	179503	2.40
				Nov-2-18	-4500	Sale / Transfer	175003	2.34
				Nov-9-18	-1500	Sale / Transfer	173503	2.32
				Dec-14-18	-10300	Sale / Transfer	163203	2.18
				Dec-28-18	6800	Purchase	170003	2.28
				Mar-22-19	-158503	Sale / Transfer	11500	0.15
				Mar-29-19	-7500	Sale / Transfer	4000	0.05
				Mar-31-19			**4000**	**0.05**
3	Hardik Bharat Patel	30722	0.41	Apr-1-18				
				Apr-13-18	-8338	Sale / Transfer	22384	0.3
				Apr-20-18	-88	Sale / Transfer	22296	0.3
				Apr-27-18	-22048	Sale / Transfer	248	0.0
				May-4-18	-21	Sale / Transfer	227	0.0
				May-11-18	3197	Purchase	3424	0.05
				May-18-18	115	Purchase	3539	0.05
				May-25-18	-3299	Sale / Transfer	240	0.00
				Jun-1-18	362	Purchase	602	0.01
				Aug-3-18	-118	Purchase	484	0.01
				Aug-10-18	1592	Purchase	2076	0.03
				Aug-31-18	-2021	Sale / Transfer	55	0.00
				Sep-7-18	726	Purchase	781	0.01
				Sep-14-18	-466	Sale / Transfer	315	0.00
				Sep-21-18	-205	Sale / Transfer	110	0.00
				Sep-29-18	16	Purchase	126	0.00
				Nov-2-18	-36	Sale / Transfer	90	0.00
				Nov-9-18	1430	Purchase	1520	0.02
				Dec-14-18	7000	Purchase	8520	0.11
				Dec-28-18	-6800	Sale / Transfer	1720	0.02
				Mar-22-19	42900	Purchase	44620	0.60
				Mar-29-19	21615	Purchase	66235	0.89
				Mar-31-19			**66235**	**0.89**
4	Asif Alladin	64140	0.86	Apr-1-18		Nil Movement during the year		
				Mar-31-19			**64140**	**64140**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (01-4-2018 to 31-3-2019)	
		No. of Shares at the beginning 01-4-2018	% of total shares of the Company				No. of Shares	% of total shares of the Company
5	Tata Mutual Fund- Tata Equity P/E Fund	99918	1.34	Apr-1-18				
				Apr-13-18	1000	Purchase	100918	1.35
				Apr-27-18	75000	Purchase	175918	2.35
				May-25-18	1382	Purchase	177300	2.37
				Jun-1-18	2000	Purchase	179300	2.40
				Jun-8-18	14500	Purchase	193800	2.59
				Jun-22-18	11748	Purchase	205548	2.75
				Jul-6-18	1000	Purchase	206548	2.76
				Jul-13-18	300	Purchase	206848	2.77
				Jul-20-18	5700	Purchase	212548	2.84
				Aug-24-18	-35000	Sale / Transfer	177548	2.38
				Mar-31-19			**177548**	**2.38**
6	R Pattabiraman	0	0	Apr-1-18				
				Apr-6-18	10131	Purchase	10131	0.14
				Apr-20-18	12303	Purchase	22434	0.30
				May-4-18	867	Purchase	23301	0.31
				May-11-18	9297	Purchase	32598	0.44
				Jun-30-18	-1650	Sale / Transfer	30948	0.41
				Aug-10-18	3904	Purchase	34852	0.47
				Aug-17-18	7825	Purchase	42677	0.57
				Aug-24-18	500	Purchase	43177	0.58
				Aug-31-18	12420	Purchase	55597	0.74
				Sep-7-18	17026	Purchase	72623	0.97
				Sep-14-18	3223	Purchase	75846	1.02
				Sep-21-18	1000	Purchase	76846	1.03
				Nov-2-18	7851	Purchase	84697	1.13
				Nov-16-18	3581	Purchase	88278	1.18
				Nov-23-18	66	Purchase	88344	1.18
				Nov-30-18	350	Purchase	88694	1.19
				Feb-15-19	1209	Purchase	89903	1.20
				Mar-1-19	1097	Purchase	91000	1.22
				Mar-8-19	16718	Purchase	107718	1.44
				Mar-15-19	12340	Purchase	120058	1.61
				Mar-31-19			**120058**	**1.61**
7	Vibgyor Investors And Developers Pvt Ltd	70000	0.94	Apr-1-18				
				Sep-29-18	-10000	Sale / Transfer	60000	0.80
				Oct-12-18	-60000	Sale / Transfer	0	0.00
				Mar-31-19			**0**	**0.00**
8	Shri Jagannath Educational Institute	50000	0.67	Apr-1-18			Nil Movement during the year	
				Mar-31-19			**50000**	**0.67**
9	Rukmani Birla Educational Society	47482	0.64	Apr-1-18			Nil Movement during the year	
				Mar-31-19			**47482**	**0.64**
10	Reliance Equity Opportunities AIF Scheme 1	0	0	Apr-1-18				
				Aug-24-18	24258	Purchase	24258	0.32
				Aug-31-18	35686	Purchase	59944	0.80
				Mar-31-19			**59944**	**0.80**
11	Sundaram Alternative Opportunities Fund - Nano Cap Series I	138585	1.86	Apr-1-18				
					416	Purchase	139001	1.86
					5413	Purchase	144414	1.93
					4902	Purchase	149316	2.00
					2283	Purchase	151599	2.03
				Mar-31-19			**151599**	**2.03**
12	Sundaram Alternative Opportunities Fund - Nano Cap Series II	45410	0.61	Apr-1-18				
					1	Purchase	45411	0.61
					1193	Purchase	46604	0.62
					4691	Purchase	51295	0.69
				Mar-31-19			**51295**	**0.69**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the Year (01-4-2018 to 31-3-2019)	
		No. of Shares at the beginning 01-4-2018	% of total shares of the Company				No. of Shares	% of total shares of the Company
13	Governor Of Andhra Pradesh	305552	4.09	Apr-1-18	Nil Movement during the year			
				Mar-31-19	305552	4.08	305552	4.08
14	EDZER Ltd.	61000	0.82	Apr-1-18	Nil Movement during the year			
				Mar-31-19			**61000**	**0.82**
15	R. R. Bamfield Investments Ltd.	61000	0.82	Apr-1-18	Nil Movement during the year			
				Mar-31-19			**61000**	**0.82**

v. Shareholding of Directors & Key Managerial Personnel

For Each of the Director and KMP	Shareholding at the beginning of the year 01.04.2018		Cumulative Shareholding during the year 31.03.2019	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
Mr. CK Birla, Chairman	51376	0.69	51376	0.69
Mr. Dhirup Roy Choudhary, Managing Director & CEO	-	-	-	-
Mr. Desh Deepak Khetrapal, Non-Executive Director	-	-	-	-
Late Mr. P. Vaman Rao, Independent Director *	-	-	-	-
Mr. Yash Paul, Independent Director @	-	-	-	-
Mrs. Gauri Rasgotra, Independent Director	-	-	-	-
Dr. Arvind Sahay, Independent Director ^	-	-	-	-
Mr. V. V. Ranganathan, Independent Director #	-	-	-	-
Mr. KR Veerappan, Chief Financial Officer (1)	-	-	2500	0.03
Mr. G Manikandan, Company Secretary & Financial Controller	-	-	-	-

* Resigned w.e.f February 08, 2019; @ Resigned w.e.f March 19, 2019

^ appointed as Independent (Additional Director) w.e.f February 8, 2019

appointed as Independent (Additional Director) w.e.f March 19, 2019

(1) Allotted during the year due to exercise of ESOPS.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	6300.06	377.19	-	6677.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6300.06	377.19	-	6677.25
Change in Indebtedness during the financial year				
Addition	27362.87	5006.96	-	32369.83
Reduction	-	30.34	-	30.34
Net Change	27332.53	5006.96	-	32339.49
Indebtedness at the end of the financial year				
i)Principal Amount	33662.93	5353.81	-	39016.74
ii)Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	200.73	2.06	-	202.79
Total (i+ii+iii)	**33863.66**	**5355.87**	**-**	**39219.53**

VI. Remuneration of Directors and Key Managerial Personnel

a) Remuneration of Managing Directors, Whole-Time Directors and/or Managers

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Mr. Dhirup Roy Choudhary Managing Director & CEO
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	351.95
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	
2	Stock Options (Options Granted, not considered)	
3	Sweat Equity	
4	Commission	
	- as % of profit	
	- Others, specify	
5	Others, please specify	
	a) Employer's contribution to PF	10.43
	Total	**362.38**
	Total (A)	**362.38**
	Ceiling Limit as per the Act (5% of Profit as per Section 198)	**795.70**
	Ceiling Limit as per the Act (10% of Profit as per Section 198)	**1591.40**

b) Remuneration of Other Directors

(₹ in Lacs)

Sl. No.	Name of Directors	Category	Particulars of Remuneration			Total Amount
			Sitting Fees	Commission	Other, please specify	
1	Mr. CK Birla	Non-Executive Director	8.00	50.00	-	58.00
2	Mr. Desh Deepak Khetrapal	Non-Executive Director	13.50	17.50	-	32.00
3	Late Mr. P Vaman Rao*	Independent Director	6.00	12.50	-	18.50
4	Mr. Yash Paul@	Independent Director	16.50	12.50	-	20.00
5	Mrs. Gauri Rasgotra	Independent Director	13.50	12.50	-	26.00
6	Dr. Arvind Sahay^	Independent Director	2.00	2.50		4.50
Total			**59.50**	**107.50**	**-**	**167.00**
Ceiling Limit as per the Act (1% of Profit as calculated under Section 198)(For payment of Commission)			**-**	**159.14**	**-**	**-**

* Resigned w.e.f February 8, 2019; @ Resigned w.e.f March 19, 2019

^ appointed as an Independent (Additional Director) w.e.f February 8, 2019

c) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(₹ in Lacs)

Particulars of Remuneration	Mr. KR Veerappan Chief Financial Officer	Mr. G Manikandan Company Secretary & Financial Controller	Total Amount (In ₹ Lacs)
Gross Salary			
(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	171.40	53.52	
(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	
(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	
Stock Options (Options Granted, not considered)	-	-	
Sweat Equity^	72.68	-	
Commission	-	-	
- as % of profit	-	-	
- Others, specify	-	-	
Others, please specify	-	-	
a) Employer's contribution to PF	6.91	2.29	
Total	**250.99**	**55.81**	

^ perquisite value of option exercised during the year

Note: The remuneration of Key Managerial Personnel does not include the provisions made towards Gratuity, leave benefits, as they are paid as per the Company's policy.

VII. Penalties/Punishments/Compounding of Offences:

(₹ in Lacs)

	Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A	COMPANY					
	Penalty			None		
	Punishment					
	Compounding					
B	DIRECTORS					
	Penalty			None		
	Punishment					
	Compounding					
C	OTHER OFFICERS IN DEFAULT					
	Penalty			None		
	Punishment					
	Compounding					

Annexure-(IV): Corporate Governance Report

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

1. Corporate Governance Philosophy

The Company looks at Corporate Governance as its back-bone to ensure sustainable value creation for all stakeholders. HIL believes that it is an on-going process which ensures that the affairs of the Company are managed with highest standards and practices with proper accountability, fairness and transparency to the core of its sense. This also helps and enables the Board and Management to achieve the goals and objectives effectively for the benefit of the Company and its Stakeholders including shareholders, Customers, Creditors and Employees.

Key elements of Corporate Governance are transparency, internal controls, risk management, internal and external communications, high standards of safety, health, environment, accounting fidelity and product & service quality. The Board has empowered responsible persons to implement its Broad policies and guidelines and has set up adequate review processes/mechanisms to achieve the said purpose.

The Company has complied with the required provisions of the Corporate Governance as per the Securities Exchange Board India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as disclosed herein below.

2. Board of Directors

The Board of Directors along with its Committees provides focus and guidance to the Company's Management as well as directs and monitors the performance of the Company.

(a) Composition and other related matters

The Board consists of an optimal combination of Executive and Non-Executive Directors representing a judicious mix of in-depth knowledge, specialized skills and rich experience.

As of March 31, 2019 the Board comprises of Six (6) Directors, viz. 1 (One) Non-Executive Chairman (Promoter), 1 (One) Managing Director & CEO, 1 (One) Non-Executive & Non Independent Director and 3 (Three) Non-Executive Independent Directors which includes 1 (one) Woman Director.

During the year, more than 50% of the total strength of the Board comprises of Non-Executive Directors with the Managing Director & CEO being the only Executive Director and 50% of the total strength of the Board comprises of Independent Directors.

During the year under review, Dr. Arvind Sahay and Mr. V. V. Ranganathan were appointed as Independent Directors w.e.f February 8, 2019 and March 19, 2019 respectively and Late Mr. P. Vaman Rao (Director has expired) and Mr. Yash Paul, Independent Director of the Company has resigned due to their personal reasons w.e.f February 8, 2019 and March 19, 2019. All changes to the Board of Directors were in compliance with the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of composition of the Board of Directors as of March 31, 2019, the attendance record of the Directors at the Board Meetings and Annual General Meeting (AGM) held during the year 2018-19 are as given below:

(₹ In Lacs

Name of the Director	Category of Directorship	Number of Directorships held in other Companies			Number of Committee positions held in other Companies		Attendance at	
		Total Directorships(1)	Directorships in listed Companies	Directorships in other Public Companies(2)	Chairman(3)	Member(3)	Board Meetings	Last Annual General Meeting (August 6, 2018)
Mr. CK Birla	Chairman Promoter Non-Executive	7	4	3	-	-	8	Yes
Mr. Dhirup Roy Choudhary	Managing Director & CEO	-	-	-	-	-	8	Yes
Mr. Desh Deepak Khetrapal	Director Non-Executive & Non- Independent	3	3	-	-	4	7	Yes
Mrs. Gauri Rasgotra	Director Non-Executive & Independent	1	1	-	-	2	7	No
Dr. Arvind Sahay (4)	Director Non-Executive & Independent	2	2	-	1	2	2	N/A
Mr. V. V. Ranganathan (5)	Director Non-Executive & Independent	1	-	1	1	-	-	N/A
Late Mr. P. Vaman Rao (6)	Director Non-Executive & Independent	-	-	-	-	-	3	Yes
Mr. Yash Paul (7)	Director Non-Executive & Independent	-	-	-	-	-	8	Yes

(1) The number of total directorships is in accordance with Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which excludes Foreign Companies, Private Companies and Section 8 Companies as per Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(2) Directorships in other Public Companies excluding Private Limited Companies, Foreign Companies and Section 8 Companies and Listed Companies.

(3) Chairmanships / Memberships of the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted Public Limited Companies as per Regulation 26 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.

(4) Dr. Arvind Sahay was appointed as Independent Director (Additional Director) w.e.f February 8, 2019.

(5) Mr. V. V. Ranganathan was appointed as Independent Director (Additional Director) w.e.f March 19, 2019.

(6) Late Mr. P. Vaman Rao has resigned w.e.f February 8, 2019.

(7) Mr. Yash Paul has resigned w.e.f March 19, 2019.

Details of Listed entitles, where the Directors of the Company are Directors

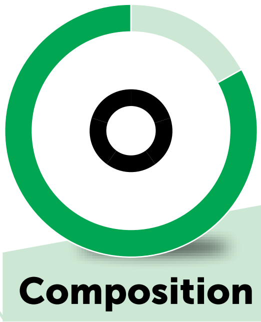
Sl. No.	Director	Listed Companies	Designation in the other company	Committee Positions in the other company%
1.	Mr. CK Birla	Orient Paper & Industries Limited	Chairman & Director	Nil
		Orient Cement Limited	Chairman & Director	Nil
		Orient Electric Limited	Chairman & Director	Nil
		Birlasoft Limited (formerly known as KPIT Technologies)	Chairman & Director	Nil
2	Mr. Desh Deepak Khetrapal	Orient Cement Limited	Managing Director & CEO	AC & SRC
		Oriental Bank of Commerce	Independent Director	AC
		Orient Electric Limited	Non-Executive Director	AC
3	Mrs. Gauri Rasgotra	Orient Paper & Industries Limited	Independent Director	AC & SRC
4.	Dr. Arvind Sahay	Gujarat Narmada Valley Fertilizers & Chemicals Limited	Independent Director	AC
		IFCI Limited	Independent Director	AC & SRC

% This includes only Chairmanships / Memberships of the Audit Committee and Stakeholders' Relationship Committee of all listed and unlisted Public Limited Companies as per Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Board Composition

Category	Composition
Executive	1
Non-Executive	5
Grand Total	**6**

Executive	17%
Non-Executive	83%



Category	Composition
Independent	3
Non Independent	3
Grand Total	**6**

Independent	50%
Non-Independent	50%

- None of Directors are related to each other in terms of the definition of "relative" as defined in Section 2(77) of the Companies Act, 2013.
- None of the Directors on the Board are directors on more than eight companies as required under Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Independent Directors are serving as independent director in more than seven listed entities as required under Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Independent Directors are Managing Director or Whole Time Directors on other listed entities as required under Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the Companies in which he/she is a Director as required under Regulation 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The composition of the Board is in conformity with the Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Mr. CK Birla holds 51,376 equity shares representing 0.69%, apart from Mr. CK Birla, none of the Directors hold shares in the Company.
- During the financial year 2018-19, information as specified in Part A of Schedule II to the Regulations such as annual operating plans and budgets, capital budgets, financial results of the Company, foreign currency exposures on quarterly basis and such other information as and when applicable were placed before the Board for its consideration.
- The senior management personnel confirmed that they don't have any personal interest in respect of all material financial and commercial transactions entered into by the Company, which may have a potential conflict with the interest of the Company at large.
- The maximum tenure of independent directors is in accordance with the Companies Act, 2013 and rules made thereunder read with Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- As per the requirements of Regulations 25(6), there was no requirement to replace the vacancy created by the resignation of the Independent Directors and the composition of the Independent Directors meet the requirement of Independent Directors in its Board of Directors without filling the vacancy created by such resignation
- The Company has suitable Directors & Officers Insurance Policy obtained with adequate coverage and complies the requirement of Regulation 25(10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Board Meetings and Procedures

During the year under review, 8 (Eight) Board Meetings were held (as detailed below) and the maximum time-gap between any two consecutive meetings is not more than one hundred and twenty days, thereby complying with the applicable statutory requirements.

Date of Board meeting	Board Strength	No. of Directors Present	Percent-age
April 26, 2018	6	6	100%
June 7, 2018	6	5	83%
June 26, 2018	6	4	67%
July 11, 2018	6	6	100%
August 6, 2018	6	5	83%
October 25, 2018	6	5	83%

Date of Board meeting	Board Strength	No. of Directors Present	Percent-age
February 8, 2019	7*	6	86%
March 19, 2019	7*	6	86%

*including the appointments and resignations made during the said meeting

The Board is regularly apprised and informed of important business-related information. The dates of the Board Meetings are finalized in consultation with all Directors well in advance. Agenda papers supported by comprehensive notes and relevant information, documents and presentations are circulated in advance to all the Board Members which enable them to take informed decisions and discharge their functions effectively. The agenda for Board Meeting covers items set out in as per Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent these are relevant and applicable.

A presentation is made on business highlights at each Board Meeting. The Board periodically reviews the items in agenda and particularly reviews and approves quarterly financial results, annual financial statements, annual operating plans and budgets, capital budgets, etc. The compliance reports of laws applicable to the Company and minutes of the Committee Meetings are also reviewed/ noted by the Board.

A presentation is made on Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, Material default in financial obligations, public or product liability claims, Corporate Guarantees / Security issued, internal controls, Instances of significant fraud along with quarterly / annual financial statements including Budgets and Capex and Revenue Budgets of Subsidiaries (including its Subsidiaries).

The important decisions taken at Board and Committee Meetings are communicated to the respective departments after the meetings for the implementation of the said decisions.

During the year under review, the Board has accepted all the recommendations made by the Committees.

(c) Independent Directors' Meeting:

The Independent Directors fulfil the criteria of independence as given in Regulation 16(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and have submitted their declaration of independence. All the Independent Directors have been appointed for a term of five years and Letter of Appointment containing terms and conditions of their appointment were issued to all Independent Directors and the Letter of Appointment is available on the website of the Company www.hil.in.

The Independent Directors met on October 25, 2018 without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors evaluated the performance of the Non-Independent Directors, Board of Directors as a whole and also evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, Management and the Board.

Date of Meeting	No. of Directors	No. of Directors Present	Per-centage
October 25, 2018	3	3	100%

(d) Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to them, which inter alia explains the role, function, duties and responsibilities expected of them as a Director and Independent Director of the Company. They are also explained in detail the compliances required from him/her under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Insider Trading Regulations and other relevant regulations on regular basis.

For all appointments of Independent Director during the year, they are made familiar to the business and its operations which includes Company's Manufacturing, Marketing, Finance and Other important aspects and also about their role and duties. The Company Secretary briefs the Director about his/her legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with Committee Members, Business Heads and visit to the manufacturing site whenever required.

The details of such Familiarization Programmes for Independent Directors are available on http://hil.in/investors-relations/

3. Committees of Directors

3.1 Audit Committee

(a) Composition and Meetings

The Company constituted a qualified and Independent Audit Committee comprising of 4 (Four) Directors, out of which 3 (three) Non-Executive Independent Directors in accordance with the provisions of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

The Committee is empowered with the powers as prescribed under Regulation 18 of Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

During the year under review, 4 (Four) Audit Committee Meetings were held and the maximum gap between any two meetings was not more than one hundred and twenty days.

The dates, composition and the attendance of the Committee meetings were as follows:

Date of Audit Committee	Strength	No. of Directors Present	Percentage
April 26, 2018	4	4	100%
August 6, 2018	4	3	75%
October 25, 2018	4	3	75%
February 8, 2019	4	3	75%

Name of the Director	Designation	No. of Meetings	Attended	Percentage
Mr. Desh Deepak Khetrapal	Member	4	4	100
Mrs. Gauri Rasgotra	Member	4	3	75%
Late Mr. P. Vaman Rao (1)	Member	4	2	50%
Mr. Yash Paul (2)	Chairman	4	4	100%
Dr. Arvind Sahay (3)	Member	N/A	N/A	N/A
Mr. V. V. Ranganathan (4)	Chairman (4)	N/A	N/A	N/A

(1) Resigned w.e.f February 8, 2019; (2) Resigned w.e.f March 19, 2019; (3) Appointed w.e.f February 8, 2019; (4) Appointed w.e.f March 19, 2019;

All the Members of the Audit Committee have the requisite qualification for appointment on the Committee and they also possess sound knowledge of Finance and Accounting practices and have related management expertise by virtue of their experience and background.

The Chairman of the Audit Committee, Mr. Yash Paul, was present at the last Annual General Meeting of the Company held on August 6, 2018 and Company Secretary acts as a Secretary to the Audit Committee.

The following are the changes to the Audit Committee during the year

Date	Change	Reason
February 8, 2019	Change in Composition	Reconstitution of Committee due to appointment of Dr. Arvind Sahay as an Independent Director (Additional Director) and resignation of Late Mr. P. Vaman Rao as Director and Independent Director.
March 19, 2019	Change in Composition	Reconstitution of Committee due to appointment of Mr. V. V. Ranganathan as an Independent Director (Additional Director).
March 19, 2019	Change in Composition and Change of Chairman	Reconstitution due to resignation of Mr. Yash Paul as Independent Director and Mr. V. V. Ranganathan, was appointed as Chairman of the Committee.

Statutory Auditors, Head of Internal Audit, External Internal Auditors, Managing Director & CEO and Chief Financial Officer are permanent invitees to the Committee and they participate in the meeting to brief the Committee and to answer and clarify queries raised at the Committee Meetings.

(b) Role of Audit Committee

The terms of reference, role and powers of the Audit Committee are as prescribed under Part C, Schedule II in terms of Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013 and includes overseeing of the Company's financial reporting process, reviewing with the management of the financial statements and the adequacy of the internal audit function, internal control and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

During the year under review, the Board at their meeting held on February 8, 2019 has adopted the Audit Committee Charter in place of the existing Terms of Reference document in view of the various amendments made in Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee also supervises the performances of the Subsidiaries (including step down subsidiaries) and take note information as required under Companies Act, 2013 & Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation 2015.

The details of related party transactions as required under the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Ind AS are provided as part of this Annual Report.

3.2 Nomination & Remuneration cum Compensation Committee

(a) Composition and Attendance

The Nomination & Remuneration Cum Compensation Committee comprises of 3 (Three) Non-Executive Directors out of which 2 (Two) are Independent Directors and the Committee is empowered with the powers as prescribed under Regulation 19 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The Committee also acts in accordance with the Terms of Reference and directions of the Board from time to time.

The dates, composition and the attendance of the Committee meetings were as follows:

Date of Audit Committee	Strength	No. of Directors Present	Percentage
April 26, 2018	3	3	100%
August 6, 2018	3	2	67%
February 8, 2019	3	3	100%
March 19, 2019	3	3	100%

Name of the Director	Designation	No. of Meetings	Attended	Percentage
Mr. Yash Paul (1)	Chairman (1)	4	4	100%
Mrs. Gauri Rasgotra	Member	4	3	75%
Mr. Desh Deepak Khetrapal	Member	4	4	100%
Mr. V. V. Ranganathan (2)	Chairman (2)	N/A	N/A	N/A

(1) Resigned w.e.f March 19, 2019; (2) Appointed w.e.f March 19, 2019;

The following are the changes to the Committee during the year

Date	Change	Reason
March 19, 2019	Change in Composition	Reconstitution of Committee due to appointment of Mr. V. V. Ranganathan as an Independent Director (Additional Director).
March 19, 2019	Change in Composition and Change of Chairman	Reconstituted due to resignation of Mr. Yash Paul as Independent Director and Mr. V. V. Ranganathan, was appointed as Chairman of the Committee.

(b) Nomination, Remuneration and Evaluation Policy

Nomination, Remuneration and Evaluation Policy ("Remuneration Policy") of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate Directors on the Board, Key Managerial Personnel and the Senior Management Officers. Our Business Model promotes customer centricity and requires employee mobility to address various project needs. The Remuneration Policy supports such mobility through appropriate pay models that are at par with industry standards.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component), variable pay and other benefits to its Managing Director & CEO, Key Managerial Personnel and the Senior Management Officers. Annual increments are recommended by the Nomination and Remuneration cum Compensation Committee and are effective form April 1, of every year. Based on the performance of the Company viz a viz the concerned employee, the Nomination & Remuneration Cum Compensation Committee decides and recommends to the Board of Directors the variable pay payable to them. The Nomination & Remuneration Cum Compensation Committee also decides, and recommends to the Board of Directors, the Commission payable to the Non- Executive Directors in addition to sitting fees which are paid for attending the Board and Committee Meetings.

Nomination, Remuneration and Evaluation Policy of the Company, as adopted by the Board of Directors is available on the website of the Company and can be accessed through the following link: http://hil.in/investors-relations/.

The key objectives of this Policy includes:

(i) guiding the Board of Directors in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

(ii) specifying the manner for effective evaluation of the performance of members of the Board, the Board as a whole and Committees thereof, and review its implementation and compliance.

(iii) recommending to the Board the remuneration, in whatever form, payable to the Directors, Key Managerial Personnel & Senior Management.

The remuneration paid/payable to each of the Directors for the financial year ended March 31, 2019 is as under:

Name of Director	Tenure	Remuneration for the financial year ended March 31, 2019 (₹ In Lacs)				
		Sitting Fee	Salary & Perquisites	Performance Pay	Commission	Total
Mr. CK Birla	NA	8.00	0	0	50.00	58.00
Late Mr. P. Vaman Rao^	5	6.00	0	0	12.50	18.50
Mr. Yash Paul@	5	16.50	0	0	12.50	29.00
Mr. Desh Deepak Khetrapal	NA	13.50	0	0	17.50	31.00
Mrs. Gauri Rasgotra&	5	13.50	0	0	12.50	26.00
Dr. Arvind Sahay#	5	2.00	0	0	2.50	4.50
Mr. V. V. Ranganathan*	5	N/A	0	0	0	0
Mr. Dhirup Roy Choudhary	5	N/A	285.55	76.83	0	362.38

^ Resigned as an Indepndent Director w.e.f February 8, 2019.

@ Resigned as an Indepndent Director w.e.f March 19, 2019.

#Appointed as an Indepndent Director w.e.f February 8, 2019.

* Appointed as an Independent Director w.e.f March 19, 2019.

& Board of Directors at their meeting held on March 19, 2019 has appointed her for the Second term from May 8, 2019 to May 7, 2024.

Notes:

1. The Members of the Company at the Annual General Meeting held on July 28, 2016 approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company for each financial year commencing from April 1, 2016. All the Non-executive Directors are eligible to receive commission up to a maximum of 1% of profits calculated in accordance with the provisions of Section 197, of the Companies Act 2013, in addition to the sitting fees.
2. The Executive Directors are the employees of the Company and are subject to service conditions as per the Company's Policy. There is no separate provision for payment of severance fees.
3. As on March 31, 2019, none of the Independent Directors hold stock options or shares of the Company.
4. The Non-Executive Independent Directors on the Company's Board, apart from receiving sitting fees and commission if any, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries or associate companies.
5. The details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of Securities and Exchange Board of India LODR Regulations are provided in the Notice convening Annual General Meeting.
6. The Chairman of the Committee was present at the Annual General Meeting held on August 6, 2018.
7. **Criteria for making payment to Non-executive Directors:** The criteria of making payment to the Non-executive directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or outlook of the Company, but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas. There are no payments made to Non-Executive Directors apart from sitting fee, commission and reimbursements of expenses, if any for attending the meetings of the Company.
8. Details of Employee Stock Options, issue price, holding of ESPOs by KMPs, details of exercise, vesting etc., are provided as part of this annual report.

3.3 Stakeholders' Relationship Committee:

(a) Composition and Meetings

The Stakeholders' Relationship Committee comprises of 3 (Three) Independent Non-Executive Directors.

The Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints. In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has authorised the Company Secretary, who is also the Compliance Officer, to approve share transfers/ transmissions and is empowered to oversee the redressal of investor complaints.

The dates, composition and the attendance of the Committee meetings were as follows:

Date of Committee Meeting	Strength	No. of Directors Present	Percentage
April 26, 2018	3	3	100%
August 6, 2018	3	2	67%
October 25, 2018	3	2	67%
February 8, 2019	3	2	67%

Name of the Director	Designation	No. of Meetings	Attended	Percentage
Late Mr. Vaman Rao (1)	Chairman (1)	4	2	50%
Mrs. Gauri Rasgotra (5)	Chairman (2)	4	3	75%
Mr. Yash Paul (3)	Member	4	4	100
Dr. Arvind Sahay (2)	Member	N/A	N/A	N/A
Mr. V. V. Ranganathan (4)	Member	N/A	N/A	N/A

(1) Resigned w.e.f February 8, 2019; (2) Appointed w.e.f February 8, 2019; (3) Resigned w.e.f March 19, 2019; (4) Appointed w.e.f March 19, 2019; (5) Appointed as Chairman w.e.f February 8, 2019

The following are the changes to the Committee during the year

Date	Change	Reason
February 8, 2019	Change in Composition	Reconstitution of Committee due to Resignation of Late Mr. P. Vaman Rao and Appointment of Dr. Arvind Sahay as an Independent Director (Additional Director).
February 8, 2019	Change in Composition	Mrs. Gauri Rasgotra was appointed as Chairman of the Committee, due to resignation of Late Mr. P. Vaman Rao.
March 19, 2019	Change in Composition	Reconstitution of Committee due to appointment of Mr. V. V. Ranganathan as an Independent Director (Additional Director).
March 19, 2019	Change in Composition and Change of Chairman	Reconstituted due to resignation of Mr. Yash Paul as Independent Director.

(b) Compliance Officer

Mr. G Manikandan, Company Secretary is the Compliance Officer of the Company and all investor complaints, which cannot be settled at the level of the Compliance Officer, are placed before the Committee for final settlement.

(c) Shareholders' Complaints and it's redressal

During the year 2018-19, all requests received from the Shareholders' were attended on time and the following queries/ requests/complaints were received and resolved in the prescribed time:

Nature of Communication	As on April 1, 2018	Received during the year	Resolved during the year	As on March 31, 2019
Non-Receipt of Dividend Warrants	0	5	5	0
Non-Receipt of Share Certificates on transfer	0	0	0	0
Non-Receipt of Annual Report	0	21	21	0
Non-Receipt of Exchanged Share/Split Share/ Bonus Share Certificate	0	0	0	0

3.4 Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee comprises of 3 (Three) Non-Executive Directors out of which two are Independent Directors. During the year under review, the Corporate Social Responsibility (CSR) Committee met on April 26, 2018. The composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each Member of the Committee at the meetings were as follows:

Name of the Director	Designation	No. of Meetings	Attended	Percentage
Mr. Desh Deepak Khetrapal	Chairman	1	1	100%
Mrs. Gauri Rasgotra	Member	1	1	100%
Mr. Yash Paul (1)	Member	1	1	100%
Mr. V. V. Ranganathan (2)	Member	N/A	N/A	N/A

(1) Resigned w.e.f March 19, 2019; (2) Appointed w.e.f March 19, 2019.

The Terms and Reference of the Committee are as follows:

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy;

(b) recommend the amount of expenditure to be incurred on the activities as specified in Schedule VII of the Companies Act, 2013;

(c) monitor the Corporate Social Responsibility Policy of the Company from time to time;

(d) to do such act as specifically prescribed by Board and

(e) to carry out such other functions, and is empowered to act as required, in terms of Companies Act, 2013 read with rules framed thereunder, Regulations framed by Securities Exchange Board of India, including any amendment or modification thereof.

3.5 Board Evaluation

The Board of Directors evaluated the annual performance of the Board as a whole, its Committees and the Directors individually, in accordance with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the following manner:

i. Structured evaluation forms, as recommended by the Nomination and Remuneration Cum Compensation Committee, after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance, were circulated to all the members of the Board along with the Agenda Papers for evaluation of the performance of the Board, its Committees and its Directors.

ii. The members of the Board were requested to evaluate by filling the evaluation forms and the duly filled in evaluation forms were required to be sent to the Company Secretary in a sealed envelope or personally submitted to the Chairman at the concerned meeting.

iii. Based on the individual evaluation of the Directors, the Board initiated a detailed discussion at the concerned meeting on the performance of the Board / Committee/ Individual Director, and formulated a final collective evaluation of the Board. The Board also provided an individual feedback to the concerned Director on areas of improvement, if any.

4. General Body Meetings

(a) The last 3 (Three) Annual General Meetings (AGM) of the Company, were held at the Asbestos Centre, Road No.13, Banjara Hills, Hyderabad as detailed below:

Financial Year Ended	Day	Time
March 31, 2018	August 6, 2018	3:00 P.M
March 31, 2017	July 18, 2017	3.00 P.M.
March 31, 2016	July 28, 2016	3.00 P.M.

(b) The details of Special Resolution(s) passed at the last three Annual General Meetings are as follows:

In the Annual General Meeting held on July 28, 2016	None
In the Annual General Meeting held on July 18, 2017	• Appointment of Mr. Dhirup Roy Choudhary (DIN:07707322) as Managing Director & Chief Executive Officer (CEO) of the Company. • To approve modifications of HIL Employee Stock Option Scheme, 2015 (ESOS 2015).
In the Annual General Meeting held on August 6, 2018	• To make investments, or to give loans or to give guarantee(ies) or to provide security(ies) to other companies or body corporates upto ₹1000 Crores as per provisions of Section 186(3) of the Companies Act, 2013 • To borrow funds upto ₹1000 Crores, from time to time for the business of the Company as per the Section 180(1)(c) of the Companies Act, 2013 • To create security on the properties/assets of the Company, both present and future, in favour of lenders as per Section 180(1)(a) of the Companies Act, 2013

(c) **Postal Ballot** : Nil during the year.

(d) During the financial year there were no Extraordinary General Meetings held.

5. Disclosures:

(a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year were in the ordinary course of business and on an arms' length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website at http://hil.in/investors-relations/

Besides the transactions mentioned elsewhere in the annual report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

(b) Compliance

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India and other Statutory Authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other Statutory Authorities relating to the above.

(c) Code of Conduct

The Company has laid down a "Code of Business Conduct and Ethics" for the Directors and the Senior Management Personnel. The said Code is available on the website of the Company http://hil.in/investors-relations/

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2019. A declaration to this effect signed by Managing Director & CEO forms part of this report as an Annexure.

(d) Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

In line with requirement of the Companies Act, 2013 and of Regulation 22 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. Vigil Mechanism/Whistle Blower Policy has been formulated for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct etc. The said Policy provides for adequate safeguard against victimization of Directors/employees who avail of such mechanism and provides access to the Chairman of Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee. The Whistle Blower Policy has been placed on website of the Company and web link thereto is http://hil.in/investors-relations/

All the complaints received under Vigil Mechanism Policy were investigated thoroughly and detailed update including action taken, if any, on the same was presented to the Audit Committee and Statutory Auditors of the Company.

Material Subsidiary Policy: As per Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 the Company adopted he Material Subsidiary Policy and placed the same on website of the Company and web link thereto is http://hil.in/investors-relations/

(e) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the applicable Accounting Standards notified by Ministry of Corporate Affairs from time to time. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

(f) CEO/CFO Certification

In terms of requirements of Clause 17(8) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, Mr. Dhirup Roy Choudhary, Managing Director & CEO and Mr. KR Veerappan, Chief Financial Officer have furnished certificate to the Board in the prescribed format for the year ended March 31, 2019 is forming part of the this report. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on May 27, 2019.

(g) Details of Non-Compliance and Penalties

There was no non-compliance during the last three years by the Company on any matter related to Capital Market.

(h) Certificate on Corporate Governance

The Certificate from B S R & Associates LLP, [ICAI Firm Registration Number 116231W/ W-100024], Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance for the financial year ended March 31, 2019 forms part of this report.

(i) Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code.

(j) Disclosure Under The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013

As per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and rules made thereunder, your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment of women at workplace. The Company has also constituted Internal Complaints Committee. While maintaining the highest governance norms, the Company has appointed external independent person, Ms. Priya Iyengar (Advocate & NGO) who has worked in this area and have the requisite experience and knowledge in handling such matters, as Member of each of the Committee. To build awareness in this area, the Company has been conducting induction / awareness programmes through out the organization on a continuous basis.

During the year under review, no complaint of sexual harassment was received by the Company.:

(k) Risk Management

During the year, the risk assessment parameters were reviewed and modified, wherever needed. Board reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there were no major elements of risk which has the potential of threatening the existence of the Company.

6. Means of Communication

- **Website:** The Company's website http://www.hil.in contains a separate section for Investors wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases, shareholding pattern is available in a user-friendly and downloadable form.

- **Financial Results:** The quarterly, half-yearly and annual financial results of the Company are submitted to the BSE Limited and National Stock Exchange of India Limited immediately after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper and one Telugu newspaper within 48 hours of approval thereof and are also posted on Company's website http://hil.in/investors-relations/

- **Annual Report:** Annual Report containing inter alia Financial Statements, Directors' Report, Auditors'

Report, and Corporate Governance Report is circulated to the members and others entitled thereto.

- **Quarterly Communication:** The quarterly results are communicated to the members of the Company by way of email and also placed on the website of the Company http://hil.in/investors-relations/
- **Designated Exclusive Email ID:** The Company has designated E-mail Id cs@hil.in exclusive for shareholder/investor servicing.
- **Uploading on NEAPS & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.
- **Investor Calls and Presentations:** Investor Call and presentations are communicated to the Members and Stock Exchanges and also placed on the website of the Company http://hil.in/investors-relations/ on approval of quarter, half and yearly results by the Board of Director.

7. General Shareholder's Information:

Date, time and Venue of Annual General Meeting	**Wednesday, July 24, 2019** at 3.00 PM at Asbestos Centre, Road No. 13, Banjara Hills, Hyderabad
Financial year	April 1, 2018 to March 31, 2019
Book Closure	From Thursday, July 18, 2019 to Wednesday, July 24, 2019 (both days inclusive)
Record Date for Final Dividend	**July 17, 2019** (Wednesday)
Dividend Payment Date	Will be credited or dispatched by July 29, 2019 Interim dividend declared during the year 2018-19 was paid on February 22, 2019.
Listing on Stock Exchanges	1) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 2) National Stock Exchange of India Limited. 'EXCHANGE PLAZA' 5th Floor, Plot #C/1,G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
Stock Code	BSE 509675 / HIL; NSE: HIL
Listing Fees	The Listing fee for the year 2018-2019 and 2019-20 has been paid to both the above said Stock Exchanges.
E-voting facility	Open Date: **July 20, 2019, 2019 @ 9:00 AM**
	Close Date : **July 23, 2019 @ 5:00 PM**
Address for Correspondence	Mr. G Manikandan, Company Secretary & Financial Controller HIL Limited, Office No 1 & 2, 7th Floor, SLN Terminus, Survey No.: 133, Beside Botanical Gardens, Gachibowli, Hyderabad- 500032. Tel: 91 40 68249000, 68249189 (D) Email: cs@hil.in
Suspension of Trading	No securities of the Company were suspended from trading on stock exchanges during the year under review.
Convertible Instruments	The Company has not issued any convertible instruments

Credit Rating

Sl No.	Agency	Type	Rating
1	ICRA	Long Term - Cash Credit Facilities	'ICRA AA-/(Stable)'
2	ICRA	Short Term - Debt	'ICRA A1+'
3	ICRA	Short Term - Commercial Paper	ICRA A1+
4	India Ratings	Long Term - Term Loan	'IND AA-/(Stable)'

Remote e-voting at the Annual General Meeting: To allow the Members to vote on the resolutions proposed at the Annual General Meeting, the Company has arranged for a remote e-voting facility. The Company has engaged NSDL to provide e-voting facility to all the Members. Members whose names appear on the register of Members as on July 17, 2019 shall be eligible to participate in the e-voting and the Members who have not already cast their vote by remote e-voting can exercise their vote at the Annual General Meeting.

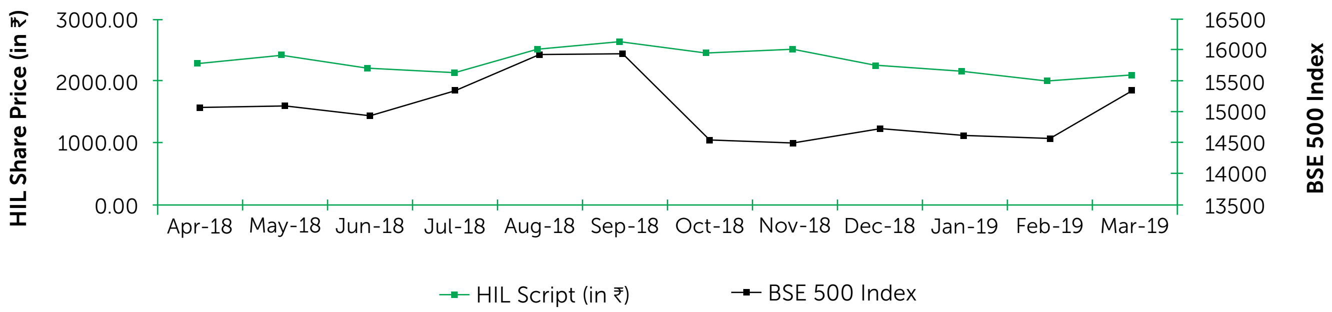
Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2018-19 at the BSE Limited and the National Stock Exchange of India Limited were given below:

Bombay Stock Exchange Limited (BSE)				National Stock Exchange of India Ltd., (NSE)			BSE 500 Index	
Month	High (₹)	Low (₹)	No. of Shares traded	High (₹)	Low (₹)	No. of Shares traded	High	Low
Apr-18	2280.00	1644.05	140365	2282.50	1602.00	422286	15064.12	14159.26
May-18	2374.85	2042.00	42860	2374.75	2042.05	443069	15109.38	14351.64
Jun-18	2143.00	1668.05	27912	2158.85	1670.00	185836	14936.98	14314.91
Jul-18	2150.00	1721.60	26359	2129.00	1724.00	150481	15327.53	14379.24
Aug-18	2479.00	2052.00	85485	2480.25	2051.10	600477	15906.13	15205.80
Sep-18	2600.00	2025.00	51337	2606.00	2012.30	316348	15937.92	14337.77
Oct-18	2259.00	1860.00	63473	2400.00	1868.00	378614	14564.81	13287.30
Nov-18	2340.85	2025.95	24664	2466.00	2020.00	154600	14481.82	13874.76
Dec-18	2249.05	1950.00	16781	2229.90	1937.05	124440	14681.14	13735.91
Jan-19	2082.90	1767.20	12201	2087.65	1760.00	109770	14595.97	14001.25
Feb-19	1967.00	1560.85	23238	1970.90	1572.50	204002	14553.39	13839.50
Mar-19	2057.20	1845.00	11998	2052.00	1841.05	135350	15316.93	14246.80

Share Performance in comparison to broad-based indices-BSE 500 INDEX

HIL Share Price and BSE 500 Index



Registrar and Transfer Agents : Venture Capital and Corporate Investments Private Limited,12-10-167, Bharat Nagar, Hyderabad - 500018 Tel: 91-40-23818475 / 476, Fax: 91-40-23868024 Email: info@vccipl.com

Share transfer System : Share Transfers in physical form shall be lodged with the Registrars at the said address.

The share transfers are generally processed by our Registrars within 15 days from the date of receipt provided the documents are complete in all respects.

Pursuant to Regulation 40 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, certificates, on half-yearly basis, have been given by a Practicing Company Secretary duly certifying compliance of shares transfer formalities.

Distribution of Equity Shares as on March 31, 2019

Sl. No.	Range	No. of Shares	% to Capital	No. of Shareholders	% to Total
1	Upto - 500	1076922	14.41	18478	95.36
2	501 - 1000	312621	4.18	415	2.14
3	1001 - 2000	309021	4.14	218	1.13
4	2001 - 3000	214848	2.88	86	0.44
5	3001 - 4000	146521	1.96	41	0.21
6	4001 - 5000	150582	2.02	33	0.17
7	5001 - 10000	361036	4.83	51	0.26
8	10001 and above	4899792	65.58	56	0.29
	Total	**7471343**	**100.00**	**19378**	**100.00**

Shareholding Pattern as on March 31, 2019

Sl. No.	Category	For the quarter ended March 31, 2019.	
Category of Shareholder		No. of shares held	% of share holding
01.	Promoters Group		
	Indian	3059212	40.95
	Foreign	-	-
02.	Non-promoters		
	Institutions	944640	12.64
	Central Government/State Government(s)	307917	4.12
	Non Institutions		
	a. Bodies Corporate	386664	5.18
	b. Individuals	2543373	34.04
	c. Clearing Members	10681	0.14
	d. Trust	945	0.01
	e. Non Resident Individuals / OCB's	189711	2.54
	f. IEPF Authority	28200	0.38
	Total	**7471343**	**100.00**

Dematerialisation of shares and liquidity : The shares of the Company are under compulsory dematerialize trading.

The Company has made necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization facility. As on March 31, 2019, 99.10% of the Company's Equity Shares are in dematerialised form.

Locations

Sl. No.	State	Products Manufactured	Location
Manufacturing Facilities			
1	Telangana	Boards	Hyderabad, Sanatnagar - 500018
2	Telangana	Fly Ash Blocks, Sandwich Panels and Pipes & Fittings	Thimmapur, Mahboobnagar District - 509325
3	Andhra Pradesh	Fibre Cement Sheets & Next Gen Sheets	Vijayawada, Plot No.289, IDA, Kondapally - 521228
4	Haryana	Fibre Cement Sheets, Sandwich Panels and Pipes & Fittings	Faridabad, Sector-25 – 121005
5	Haryana	Thermal Insulation	Dharuhera, Plot No.31, Rewari District - 122106
6	Haryana	Fly Ash Blocks, Wall Putty & Dry Mix	Jhajjar, Amadalshahpur, Village- Akeri Madanpur, -124146
7	Jharkhand	Fibre Cement Sheets	Jasidih, Industrial Area – 814142
8	Tamil Nadu	Fly Ash Blocks	Chennai, Kannigaiper Vil., Tiruvallur District -601102
9	Maharashtra	Fibre Cement Sheets & Coloured Steel Sheets	Wada, Musarane Vil., Thane District – 421312
10	Uttar Pradesh	Fibre Cement Sheets	Sathariya, SIDA, Jaunpur District – 222022
11	Odisha	Fibre Cement Sheets & Coloured Steel Sheets	Balasore, IDCO, Plot No. 72, ND Centre, Somanathpur – 756019
12	Gujarat	Fly Ash Blocks and Pipes & Fittings	Golan, Village, Valod Taluka, Tapi District – 394640
Wind Mills			
13	Gujarat	3.60 MW (2x1.80 MW)	Kutch District, Gujarat
14	Tamil Nadu	1.25 MW	Coimbatore, Tirupur District, Tamil Nadu
15	Rajasthan	2.50 MW (2x1.25 MW)	Jodhpur District, Rajasthan
16	Rajasthan	2.00 MW	Jaisalmer District, Rajasthan

8. Other Information/Requirements:

(a) Tentative Financial Calendar

The financial year covers the period starting from April 1 and ending on March 31,. The tentative dates of meeting of Board of Directors and Audit Committee for consideration of financial results during the financial year ending March 31, 2020 are as follows:

Board Meeting for consideration of unaudited quarterly results for the financial year 2019-20	Within forty five days from the end of the quarter, as stipulated under the Securities and Exchange Board of India Regulations.
Board Meeting for consideration of audited results for the current financial year 2019-20	Within sixty days from the end of the last quarter, as stipulated under the Securities and Exchange Board of India Regulations.
Annual General Meeting for adoption of Annual Accounts for the year 2019-20	On or before September 30, 2020

(b) Unclaimed Shares [Other than shares wherein the dividend is unclaimed]

There are no Unclaimed Shares of the Company and Company is not required to transfer any shares to suspense account.

(c) Transfer of Unclaimed Dividends and Shares therein

During the year under review, an amount of ₹1054010/- (Final unclaimed dividend – ₹577310/- and Interim unclaimed dividend – ₹476700/-) pertaining to unpaid/unclaimed dividend (Final dividend 2010-11 and Interim dividend 2011-12) has been transferred to Investor Education and Protection Fund (IEPF) on September 11, 2018 and March 7, 2019.

Following table gives information relating to due dates for transfer of dividends to IEPF:

Financial Year	Interim / Final	Date of Declaration	Due date / cut off date to transfer to IEPF
2011-12	Final	20-July-2012	18-August-2019
2012-13	Interim	24-January-2013	22-February-2020
2012-13	Final	30-July-2013	27-August-2020
2013-14	Final	18-July-2014	15-August-2021
2014-15	interim	16-September-2014	14-October-2021
2014-15	Final	30-July-2015	22-August-2022
2015-16	Interim	4-February-2016	04-March-2023
2015-16	Final	28-July-2016	26-August-2023
2016-17	Interim	16-January-2017	14-February-2024
2016-17	Final	18-July-2017	16-August-2024
2017-18	Interim	24-January-2018	22-February-2025
2017-18	Final	06-August-2018	04-September-2025
2018-19	Interim	08-February-2019	09-March-2026

As per the provisions of Section 124 of the Companies Act, 2013 the Company is under process to transfer the unclaimed dividend and shares, wherein the dividends are unclaimed for seven consecutive years i.e from Final Dividend 2011-12 and the same shall be transferred to IEPF Suspense Account (as notified by IEPF Authority) as per the IEPF Rules 2016.

Members who have not yet encashed their dividend from the financial year 2011-12 final dividend, onwards are requested to make their claims without any delay to Registrar and Share Transfer Agents (RTA) of the Company for claiming the unclaimed/ unpaid dividends.

During the year, the Company has transferred the following shares, wherein the dividend is unclaimed for a period of seven consecutive years, to IEPF Suspense Account as per provisions of Section 124 & 125 of the Companies Act, 2013 read with the rules made thereunder.

Divided Account	No. of Shares	Transfer Date
Final Dividend 2010-11	1066	September 19, 2018
Interim Dividend 2011-12	5903	March 30, 2019

A list of above shareholders, whose shares are transferred to IEPF is available in the website and Members are requested to claim the same by filing the required form with IEPF Authority. You may write to Registrar & Share transfer agent for the same.

IEPF Suspense Account

HIL IEPF Suspense Account maintained with NSDL		Shares	No. of Shareholders
01.04.2018	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	19351	369
Add	Transfer to IEPF Suspense during the year Interim (2010-11)	1880	7
Add	Transfer to IEPF Suspense during the year Final (2010-11)	1066	34
Add	Transfer to IEPF Suspense during the year Interim (2011-12)	5903	39
Less	Transfer from IEPF to Shareholders	-	-
31.03.2019	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	28200	449
31.03.2019	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	129	2
31.03.2019	Number of shareholders to whom shares were transferred from suspense account during the year	-	-

Manner of claiming shares: Members are requested to follow the detailed procedure, as provided by the IEPF authority to claim their shares/dividends from IEPF Suspense Account. (http://www.iepf.gov.in/IEPF/refund.html)

(d) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on equity

As on March 31, 2019, a total of 75420 Options were outstanding (Including Options transferred back to the pool on account of resignations/cessations) under "HIL Employee Stock Option Scheme 2015". Each Option is convertible into one equity share of ₹10/- each. The Company had not issued any GDRs/ADRs/ Warrants etc. during the year 2018-19.

(e) Commodity Price Risk or Foreign Exchange Risk and hedging activities

During the year 2018-19, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against imports and also receivable from its wholly owned subsidiary. The details of foreign currency exposure are disclosed in Note 42 of the notes forming part of the financial statements.

(f) Registration of E-Mail Address

To contribute towards greener environment, the Company proposes to send documents like Shareholders Meeting Notice/ other Notices, Audited Financial Statements, Directors' Report, Auditors' Report or any other document to Members in electronic form at the e-mail address provided by them and/ or made available to the Company by the Depositories.

Members who have not yet registered their e-mail address (including those who wish to change their already registered e-mail address) may get the same registered/updated either with their depository participants or by writing to the Company.

(g) Board Confirmation on Independent Directors

Board of Directors hereby confirms that, the independent directors fulfill the conditions specified in Securities and Exchange Board of India Listing Regulations and are independent of the management.

(h) Resignation of Independent Directors

During the year under review Late Mr. P Vaman Rao, Independent Director and Mr. Yash Paul, Independent Director resigned from the Company due to their personal reasons and they have provided confirmations that apart from their personal reasons, there are no others material reasons for their resignation.

(i) Certificate from P. S. Rao & Associates, Company Secretary in Practice dated May 16, 2019, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is forming part of this report.

(j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:- ₹86.50 Lacs

(k) Compliance with Non Mandatory Requirements

- The Board – The Chairman of the Company is a Non- Executive Director and does not maintain the Chairman's office at the Company's expenses.
- Separate posts of Chairman and CEO – The Company has a separate post's for Chairman and CEO.
- Shareholders Rights –As per requirements, the financial results were made available on the Company's website www.hil.in.
- Audit Qualifications – There were no qualifications by the Auditors on the financial statements of the Company.
- Reporting of Internal Auditor – Internal Auditor reports to Audit Committee

Annexures to Corporate Governance Report

Certificate Under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

A. We have reviewed financial statements (Standalone & Consolidated) along with the cash flow statement of our Company for the financial year ended March 31, 2019 and that to the best of our knowledge and belief we hereby certify that:

   a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b. These statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any.

D. We have indicated to the auditors and the Audit committee

   a. Significant changes in internal control over financial reporting during the period;

   b. Significant changes in accounting policies during the period and the same have been disclosed in the notes to the financial statements (Standalone & Consolidated); and

   c. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

KR Veerappan
Chief Financial Officer

Dhirup Roy Choudhary
Managing Director & CEO
DIN: 07707322

Place: New Delhi
Date: May 27, 2019

Declaration on Code of Conduct

I, Dhirup Roy Choudhary, Managing Director & CEO, hereby declare that the Company has received the declarations from all the Board Members and Senior Management Personnel affirming compliance with Code of Conduct for Members of the Board and Senior Management for the year 2018-2019.

Place: New Delhi
Date: May 27, 2019

Dhirup Roy Choudhary
Managing Director & CEO
DIN:07707322

Details of Directors as per Regulation 36 of Securities and Exchange Board of India (Listing Obligations & Disclosure) Reguirements, 2015.

Name	Mr. Desh Deepak Khetrapal	Dr. Arvind Sahay	Mr. V. V. Ranganathan	Mrs. Gauri Rasgotra
Designation	Non-Executive Director	Independent Director (Additional Director)	Independent Director (Additional Director)	Independent Director
Date of Birth	July 5, 1955	February 21, 1965	December 15, 1952	September 5, 1968
Date of Appointment	October 28, 2013	February 8, 2019	March 19, 2019	May 8, 2014 May 8, 2019*
DIN No.	02362633	03218334	00060917	06862334
Qualification & Expertise in specific functional areas	Mr. Desh Deepak Khetrapal holds Honours Degree in Business & Economics and Master's Degree in Business Administration in Marketing & Finance from Delhi University. He has vast work experience in service, industrial, consumer and retail businesses. Before joining Orient Cement Limited, Mr. Desh Deepak Khetrapal was the Group Chief Executive Officer of Jumbo Group of Companies. He has also worked with Raymond Limited as Chief Operating Officer	Dr. Arvind Sahay has proven expertise in marketing strategy, pricing, neuroscience and consumer behaviour, brand management, high tech marketing, international trade and investment., is a faculty at IIM-A, and has also been previously associated with London Business School. Dr. Arvind Sahay is an alumnus of IIT-Kanpur and IIM-Ahmedabad. He also holds a degree of PH.D from the University of Texas - Austin. Dr. Sahay is the recipient of the 'University Wide Outstanding Dissertation Award' from the University of Texas at Austin, the 'Innovation in Teaching Award' at London Business School and 'UTV Bloomberg Best Marketing Professor in India' award amongst others. Dr. Sahay was also nominated for the 'Thinkers50' India list by the Institute of Competitiveness, Harvard Business School.	Mr. V. V. Ranganathan is an accomplished finance professional with over forty years of variegated experience in India and overseas. He graduated in commerce with a gold medal and qualified as a Chartered Accountant and was later admitted as a fellow member of the Institute of Chartered accountants of India. He was also enrolled as a member of other professional bodies while serving professional services firms. He was a Senior Partner and Country Head for Quality & Risk Management as well as on the governing board of one of the leading big four global services firms and now serves on the boards of companies.	Mrs. Gauri Rasgotra has a rare combination of advisory and litigation experience of 27 years in both academic and corporate settings. She managed the litigation of some landmark cases such as the right of citizens to fly the national flag and reviving Satyam under new management after the largest ever corporate scam in India. She is also representing the new directors of IL&FS in the recent crisis being faced by the company. She has also advised International Finance Corporation on Indian laws with regard to a lawsuit filed in the US. She is advising the Committee of Administrators appointed by the Supreme Court regarding implementation of reforms in BCCI. She has also advised the RP in the resolution process of Essar Steel India ltd and ICICI bank in the challenge to the CIRP process of Innoventive Industries. Mrs. Gauri Rasgotra also worked in the US at the George Washington University Law School in Washington D.C. where she was selected to be the first Director of the school's newly established India Studies Center between 2007 & 2009. Mrs. Gauri Rasgotra is an independent director on the Boards of two prominent public listed companies in India. She is a member of the ICC India Arbitration Group and the ICC India nominee on the ICC Commission on Arbitration and ADR. She is also a member of SIAC Users Council – India.

Name	Mr. Desh Deepak Khetrapal	Dr. Arvind Sahay	Mr. V. V. Ranganathan	Mrs. Gauri Rasgotra
Occupation	Service	Professional (Professor)	Professional (Chartered Accountant)	Professional (Advocate)
Directorships held in other Companies	1. Orient Cement Limited 2. Oriental Bank of Commerce 3. Orient Electric Limited	1. Brandscapes Consultancy Private Limited 2. Gujarat Narmada Valley Fertilizers & Chemicals Limited 3. IFCI Limited 4. HIL International GmbH, Germany	1. Centre for Examining Financial Reporting and Governance (India) Private Limited 2. Indus Towers Limited 3. Daiichi Sankyo India Pharma Private Limited	1. Orient Paper & Industries Limited
Memberships/ Chairmanships of Committees other than HIL Limited	**1. Orient Cement Limited** • Audit Committee • Stakeholders' Relationship Committee • Corporate Social Responsibility Committee • Fund Raising Committee • Risk Management Committee **2. Oriental Bank of Commerce** • IT Strategy Committee of Board • HR Committee of Board • Special Committee of Board for monitoring of Large Value Frauds • Supervisory Committee of Directors on Risk Management • Appellate & Reviewing Authority Committee of Board • Review Committee of Board on Non-Cooperative Borrowers & Wilful Defaulters • Committee for Overseeing of Progress under Monitorable Action Plan and PBS Reforms Agenda • Sub Committee of Board for Monitoring of NPAS **3. Orient Electric Limited** • Audit Committee • Nomination and Remuneration Committee • Corporate Social Responsibility Committee • Risk Management Committee	**1. Gujarat Narmada Valley Fertilizers & Chemicals Limited** • Audit Committee • Nomination & Remuneration Committee • Corporate Social Responsibility Committee **2. IFCI Limited** • Audit Committee • Nomination & Remuneration Committee • Stakeholders Relationship Committee • Risk & Asset Liability Management Committee • Review Committee on Non-Cooperative Borrowers and Recovery & NPA Management Committee • Business Responsibility Reporting Committee	**1. Indus Towers Limited** • Audit Committee • Nomination & Remuneration Committee	**1. Orient Paper & Industries Limited** • Audit Committee • Stakeholders Relationship Committee
Shareholding in the Company	NIL	NIL	NIL	NIL

* Board of Directors at their meeting held on March 19, 2019 has reappointed Mrs. Gauri Rasgotra for a Second Term upto 5 consecutive years (i.e from May 8, 2019 to May 7, 2024) subject to approval of members.

Independent Auditor's Certificate on the Corporate Governance Report for the period 01 April 2018 to 31 March 2019

To

The Members of HIL Limited

1 This Certificate is issued in accordance with the terms of our engagement letter dated 10 April 2019.

2 HIL Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01 April 2018 to 31 March 2019.

Management responsibility

3 The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for ensuring that the Company complies with the requirements of Regulation 17-27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Listing Regulations for the period 01 April 2018 to 31 March 2019. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report and applying an appropriate basis of preparation.

Auditor's Responsibility

4 Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the conditions of the Corporate Governance as stipulated in Listing Regulations for the period 01 April 2018 to 31 March 2019.

5 We have examined the compliance of the conditions of Corporate Governance by the Company for the period 01 April 2018 to 31 March 2019 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Standalone Ind AS financial statements of the Company.

6 We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates issued for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

8 In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of the Schedule V of the Listing Regulations, as applicable.

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

Restrictions on Use

This Certificate is issued solely for the purpose of complying with Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Listing Regulations for the period 01 April 2018 to 31 March 2019 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership Number: 061272
ICAI UDIN: 19061272AAAAAC1629

Place: New Delhi
Date: 27 May 2019

Annexure (V): Details of Related Party Transactions

Form No. AOC-2

(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. There are no contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which are not at arms' length basis.

2. Contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 which were at arms' length basis and in normal course of business:

Sl. No.	Name(s) of the related party	Nature of relationship	Nature and Salient terms contracts / arrangements/transactions including the value, if any		Duration of the contracts / arrangements/ transactions	Date(s) of approval by the Board, if any
1	Orient Cement Limited	1) Mr. CK Birla, Director is a Director of the Company and holds more than 2% of the Share Capital. 2) Mr. Desh Deepak Khetrapal, Director of the Company is the Managing Director	Receipt of Rent, Reimbursement of Property tax and Maintenance Charges	69.36	Ongoing	Refer Note(s)
			Total	**69.36**		
2	Orient Paper & Industries Limited	1) Mr. CK Birla, Director is a Director of the Company and holds more than 2% of the Share Capital. 2) Mrs. Gauri Rasgotra, Independent Director of the Company is an Independent Director	Receipt of Rent, Reimbursement of Property tax and Maintenance Charges	55.96	Ongoing	Refer Note(s)
			Total	**55.96**		
3	Orient Electric Limited	1) Mr. CK Birla, Director is a Director of the Company and holds more than 2% of the Share Capital. 2) Mr. Desh Deepak Khetrapal, Director of the Company is an Non-Executive Director	Sale of Goods	14.75	On requirement basis	Refer Note(s)
			Purchases of Goods	13.28		
			Total	**28.03**		
4	HIL International GmbH, Germany	Wholly owned Subsidiary of the Company	Interest Income	506.52	Ongoing	Refer Note(s)
			Reimbursement of other expenses	525.37	On requirement basis	Refer Note(s)
			Total	**1031.89**		
5	Parador GmbH, Germany	Step Down Subsidiary of the Company	Purchases of Goods	4.86	On requirement basis	Refer Note(s)
			Total	**4.86**		

Note:

1. As per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, none of the above mentioned transactions were material in nature and all the transaction are in accordance with the omnibus approval of the Audit Committee granted on 6 August, 2018 and February 8, 2019. The transactions are also ratified by the Audit Committee/Board on quarterly basis.
2. Advances, if any paid have been adjusted against billings, wherever applicable.
3. Interest Income from HIL International GmbH, Germany is accrued monthly as per the terms of Loan Agreement.
4. As per the provisions of Ind AS all Directors are treated as related parties, the details of sitting fees, commission & salaries paid to directors are disclosed in Corporate Governance Report.
5. As per the provisions of Securities and Exchange Board of India Listing Regulations, 2015, any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company is treated as related party and there are no transaction with the said parties, apart from payment of dividends and other shareholder entitlements.

Annexure (VI): Secretarial Audit Report

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

Secretarial Audit Report

For The Financial year ended March 31, 2019

To,
The Members,
HIL Limited
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s HIL Limited, (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2019 according to the provisions of:

    I. The Companies Act, 2013 ('the Act') and the amendments rules made thereunder;

    II. The Securities Contracts ('Regulation') Act, 1956 ('SCRA') and the rules made thereunder;

    III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

    IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

    V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('Securities and Exchange Board of India Act'):-

        a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

        b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

        c. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('Securities and Exchange Board of India Act') were not applicable to the Company under the financial year under report:-

    a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    b. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

    c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

    d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

    e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

3. The industry specific major law that is applicable to the company is Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 under the Environment (Protection) Act, 1986.

4. We have also examined compliance with the applicable clauses of the following:

a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015

b. Secretarial Standards issued by the Institute of Company Secretaries of India and notified under the Act.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has not undertaken any event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

"During the Year under review, Company through its wholly owned subsidiary HIL International GmbH, Incorporated in Germany has acquired 100% Shareholding of Parador Holding GmbH, Germany".

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report;

For P S Rao & Associates
Company Secretaries

Mohit Gurjar
Company Secretary
M No: 20557
C P No: 18644

Place: Hyderabad
Date: 17.05.2019

Annexure A

To,
The Members,
HIL Limited
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P S Rao & Associates
Company Secretaries

Mohit Gurjar
Company Secretary
M No: 20557
C P No: 18644

Place: Hyderabad
Date: 17.05.2019

Annexure (VII): Report on Subsidiaries & Joint Ventures

Form No. AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with
Rule 5 of Companies (Accounts) Rules, 2014)

Statement Containing Salient Features of The Financial Statement of Subsidiaries/Associate Companies/ Joint Ventures

Part "A": Subsidiaries :

Name of the subsidiary		HIL International GmbH, Germany (^)	Parador Holding GmbH, Germany (&)	Parador GmbH, Germany(&)	Parador Parkettwerke GmbH, Austria(&)
Sl. No.	**Particulars**	**Wholly Owned Subsidiary**	**Step Down Subsidiary**	**Step Down Subsidiary**	**Step Down Subsidiary**
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	July 4, 2018 to March 31, 2019	August 27, 2018 to March 31, 2019	August 27, 2018 to March 31, 2019	August 27, 2018 to March 31, 2019
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Euro	Euro	Euro	Euro
3	Share capital	3,40,25,000	1,00,000	25,000	3,27,028
4	Reserves & surplus	(24,08,316)	87,11,895	32,51,304	1,46,28,560
5	Total assets	5,21,62,039	1,11,91,641	3,00,11,681	2,38,27,790
6	Total Liabilities	2,05,45,355	23,79,746	2,67,35,377	88,72,202
7	Investments	5,40,26,889	26,066	86,09,033	-
8	Turnover	-	-	8,77,76,616	2,17,04,980
9	Profit before taxation	(24,08,316)	35,388	30,03,339	10,41,490
10	Provision for taxation	-	5,40,490	(2,46,386)	2,59,462
11	Profit after taxation	(24,08,316)	(5,05,102)	32,49,725	7,82,029
12	Proposed Dividend	Nil	Nil	Nil	
13	% of shareholding	100% held by HIL Limited	100% held by HIL International GmbH, Germany	100% held by Parador Holdings GmbH, Germany	100% held by Parador GmbH, Germany

^ HIL International GmbH, Germany has been incorporated on July 4, 2018 and the results are given from date of incorporation/formation.

& Company has acquired 100% of shareholding of Parador Holding GmbH, Germany through its Wholly Owned Subsidiary, HIL International GmbH, Germany and the results are given from date of acquisition.

1. Names of subsidiaries which are yet to commence operations: **Not Applicable**
2. Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Joint Ventures	Supercor Industries Limited, Nigeria
1	• Last audited Balance Sheet Date • Latest Balance Sheet	December 31, 2015 Refer Note no. 44 to Notes to Accounts.
2	Shares of Joint Ventures held by the Company on the year end • Number • Amount of Investment in JV • Extent of Holding	 41,25,000 equity shares of Naira 1/- each 142.60 Lacs 33%
3	Description of how there is significant influence	There is no significance influence
4	Reason why the associate/joint venture is not consolidated	Refer Note no. 44 to Notes to Accounts
5	Net worth attributable to shareholding as per latest Balance Sheet	Refer Note no. 44 to Notes to Accounts
6	Profit/Loss for the year • Considered in Consolidation • Not Considered in Consolidation	Refer Note no. 44 to Notes to Accounts

1. Names of associates or joint ventures which are yet to commence operations: **Nil**
2. Names of associates or joint ventures which have been liquidated or sold during the year : **Nil**

Annexure (VIII) Disclosure of ESOSs

Disclosure pursuant to Section 62 of the Companies Act, 2013 read with Rules made there under and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 regarding stock options.

Sl. No.	Description	HIL ESOS 2015
01	Date of Shareholders Approval	ESOP Scheme was approved on July 30, 2015 and modified on July 18, 2017
02	Total number of options granted	84,200 (Grant-1 dated August 17, 2015) 35,600$ (Grant-2 dated July 27, 2018) $ allotted out of the pool account.
03	Vesting Requirements	• 40% of the Granted Options on completion of 3 years from the date of Grant. • 60% of the Granted Options on completion of 4 years from the date of Grant.
04	The pricing formula/Exercise Price	Fair Value and the Options have been granted at 620/- per option (Exercise Price).
05	Maximum Term of Options Granted	4 years
06	Options Vested up to March 31, 2019	8780 Options
07	Options exercised up to March 31, 2019	8780 Options
08	Options lapsed up to March 31, 2019	68460 Options granted to employee(s) were transferred back to the pool due to cessation of employment (i.e 50850 in 2017, 11400 in 2018 and 6210 in 2019). Company has allotted 35600 options in 2018 out of the pool account.
09	Total number of shares arising as a result of exercise of option	8780 Equity Shares
10	Variations of terms of options	Nil
11	Details of options granted to Key Managerial Personnel	Mr. Dhirup Roy Choudhary, Managing Director & CEO: 35600 Mr. KR Veerappan, Chief Financial Officer: 11600@ @ 4640 Options vested during 2018 were exercised by the allottee.
12	Total number of options in force as at March 31, 2019	75420 (42560 granted to Employees and 32860 un-granted lying in the pool).
13	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	N/A
14	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	N/A
15	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options during the year calculated in accordance with Ind-AS (Ind-AS 33)	Diluted Earning Per Share is ₹135.50.
16	Where the Company has calculated employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	The Company has calculated employee compensation cost using the Fair Value.
17	Weighted Average Exercise Price and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted Average Exercise Price is ₹620 Weighted Average Fair Value is ₹2195.10

A description of the method and significant assumptions used during the year to estimate the fair value of options is given below:

- Fair value calculated by using Black-Scholes option pricing formula.
  - Volatility amount: This is the amount by which stock price is fluctuated or is expected to fluctuate. The method used in the model is the annualized Standard Deviation of the continuously compounded rates of return on the stock.
  - Risk free interest rate: The yield on government securities at the time of grant of options, is the basis of this rate and has been taken as 7.43% for Grant -1 & 6.41% for Grant-II.
  - Expected Life: The exercise period given for the option granted is 4 year from date of vesting.
  - Expected Dividend: As the stock prices for one year have been considered, the price movement on account of the dividend, is already factored in and hence not separately built in.

Annexure (IX):

Details pertaining to remuneration as required U/s 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2018-19:

Sl. No.	Name of the Director/KMP (Designation)	Remuneration for FY 2018-19&	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2018-19
1	Mr. CK Birla (Chairman)	58.00	14.50	(7.94)%
2	Late Mr. P Vaman Rao (Independent Director)	18.50	4.63	2.78%
3	Mr. Yash Paul (Independent Director)	29.00	7.25	48.72%
4	Mrs. Gauri Rasgotra (Independent Director)	26.00	6.50	52.94%
5	Mr. Desh Deepak Khetrapal (Non Executive Director)	31.00	7.75	(3.13)%
6	Mr. Arvind Sahay (Independent Director) ^	4.50	1.13	NA^
7	Mr. Dhirup Roy Choudhary (Managing Director & CEO)	356.49	89.12	51.88%
8	Mr. KR Veerappan (Chief Financial Officer)	173.56	43.39	23.06%
9	Mr. G Manikandan (Company Secretary & Financial Controller)	54.22	13.56	16.43%

^ appointed during the year

& Includes Sitting Fees and Commission payable for the year 2018-19 for Directors other than Managing Director & CEO and remuneration for KMP does not include the provisions made towards Gratuity, leave benefits. Variable pay for KMPs has been shown on payment basis.

2. The median remuneration of employees of the Company during the financial year 2018-19 was ₹4.00 Lacs against the median remuneration of ₹3.70 Lacs during the previous year signifying an increase of 8.11% in the financial year;

3. As on March 31, 2019, there were 1598 permanent employees on the rolls of Company.

4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 7.87% whereas the percentage increase in the managerial remuneration in the last financial year i.e. 2018-19 was 18.64%.

5. **Particulars of employees as required under Rule 5 (2) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014**

5(a) Particulars of Top 10 Employees* in terms of remuneration drawn during the year:

Sl. No.	Name & Designation of the employee	Remuneration for FY 2018-19 (₹ in Lacs)	Qualification and age (in years)	Date of commencement of employment/ cessation	Last employment	No. of shares in the Company
1	Dhirup Roy Choudhary Managing Director & CEO	356.49	BE (Electrical & Electronics) MDP (IIM-A) (50yrs)	Jan/16/2017 (27yrs)	Metrod Holding Berhad (Bagri Group of Companies, UK)	Nil
2	Karuppan Chetty Veerappan Chief Financial Officer	173.56	B.Com (Hons), ACA (52yrs)	Feb/06/2014 (29yrs)	Global Green Company Ltd	2500
3	Hemchandra Peruvelli Chief Human Resources Officer	107.12	PGD PM & IR (47yrs)	Sep/04/2017 (23yrs)	Ali Bin Ali Group (Qatar)	100
4	Gaurav Kant Bhatnagar Head - Roofing Sales	85.27	B Arts, PGDBM (47yrs)	Mar/20/2014 (29yrs)	121 Analytics	Nil
5	Jhunjhunwala P K Head - Imports	81.64	B Com, FCA (65yrs)	Jan/15/1977 (42yrs)	NA	Nil
6	Vivek Chandra Rao S P Head - Occupational Health	68.56	MBBS, PGDM (66yrs)	Jul/28/1980 (39yrs)	NA	50
7	Dr. D Satyanarayana Head - Research & Development	58.81	M. Sc, PhD. (55yrs)	Oct/06/2012 (25yrs)	Kemrock Industries & Exports Limited	Nil
8	G Manikandan Financial Controller & Company Secretary	54.22	ACWA, ACS, PGDBA (48yrs)	May/07/2008 (28yrs)	Sundaram Brake Linings Ltd.	Nil
9	Jayakrishnan N K Business Head - Parador India	53.80	B.E (59yrs)	May/08/2000 (35yrs)	ISGEC	Nil
10	Iqbal Krishen Pandit Head - Quality Assurance	50.79	B. Sc, PGDM (53yrs)	Mar/26/2011 (30yrs)	Berger Paints India Ltd	Nil

* Employees who are on rolls as on March 31, 2019 are shown, for details of employees who resigned, please refer below.

5(b) There are no employees drawing a remuneration of ₹1.02 cr or above during the year [apart from details disclosed in 5(a) above]

5(c) Particulars employees drawing a remuneration of ₹8.50 Lacs per month or above for the part of the year [apart from the details of employees mentioned in table 5(a)]

Sl. No.	Name & Designation of the employee	Remuneration for FY 2018-19 (₹ in Lacs)	Qualification and age (in years)	Date of commencement of employment/ cessation	Last employment	No. of Shares in the Company
1	Latchoumi Narayanan - Head - Procurement	50.79	PG (Operations), MBA (44yrs)	Feb/28/2019 (20yrs)*	Rockwool India	Nil
2	Rajive Prakash Upadhyay - COO & Business Head - Building Solutions Business	81.17	BE, ME (Engineering) & GMP (47yrs)	Aug/31/2018 (23yrs)*	Jindal Architecture Ltd	Nil
3	Agam Bhatnagar - COO & Business Head - Pipes and Fittings Business	82.37	Diploma, M.B.A (42yrs)	May/ 07/2018 (20yrs)	Hunstman International	Nil
4	T E S Vardhan - Chief Financial Officer - Group Office	79.03	B Com, ACA, AICWA (63yrs)	Jun/30/2018 (38yrs)*	Hindustan Motors Ltd	Nil

* Date of cessation/appointment;

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Notes:

1. All appointments of the employees referred in 5 above are contractual and terminable by notice on either side.
2. Remuneration includes salary, variable pay paid during the financial year, various allowances, contribution to provident fund and superannuation fund, taxable value of perks and gratuity paid.
3. None of the employees mentioned above is related to any director of the Company.
4. Information about qualifications, age, experience and last employment is based on particulars furnished by the concerned employee and has not been independently verified by the Company.
5. Employees mentioned above are neither relatives of any directors or managers of the Company, nor hold 2% or more of the paid up capital of the Company as per Clause (iii) of sub rule (2) of Rule no 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure (X):

Statement of particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo as per Rule 8 of Companies (Accounts) Rules, 2014

(A) Conservation of energy-

I. Steps taken for conservation of energy:

To conserve and optimise the use of energy, the Company has been installing energy efficient blowers, vacuum pumps, backwater pumps and other equipment in all its plants. Energy efficient lighting system and modernised mechanical devices/ systems were also installed for optimum usage of power. Strict controls are exercised in operation of the plants for optimum usage of Power and Fuel.

II. Steps taken for utilising alternate sources of energy:

The Company has in total 9.35MW capacity wind turbine generators installed in Gujarat, Tamil Nadu and Rajasthan. The energy generated from these projects is partly used for captive consumption at the Company's Fly-Ash Bricks (AAC) manufacturing units in Gujarat and Tamil Nadu. Your Company is making constant efforts to explore further areas of improvement as part of the ongoing program to optimise usage of energy.

III. Capital investment on energy conservation equipment: No specific expenditure exclusively on energy conservation (apart from above) has been incurred. The steps taken for utilising alternate source of energy is continuously being upgraded to improve the overall performance of the Company.

(B) Technology absorption-

I. Efforts made towards technology absorption:

The Company is continuously endeavouring to upgrade its technology from time to time in all aspects through in-house R&D primarily aiming at reduction of cost of production and improving the quality of the product. Specific areas in which R&D is carried out by the Company are:

a. One Indian patent granted & Filing three patent applications in India and one PCT application filed during the year.

   The details of the patents are:

   1. Indian Patent Number 299587 entitled" Development of light weight insulated panel" was granted.
   2. "Light weight sandwich prefabricated panels using expanded clay aggregates and manufacturing process thereof".
   3. "Jointing compound and its manufacturing process thereof".
   4. "Aerated autoclaved concrete (AAC) blocks and process for preparation thereof".
   5. "Non asbestos sandwich prefabricated panels with improved wet strength and sound insulation and manufacturing process thereof" PCT application filed.

b. Patent application entitled "Light weight & high strength non-asbestos corrugated fiber cement roofing sheets by autoclaved method

c. Patent application entitled "Light weight & high strength non-asbestos corrugated fiber cement roofing sheets by autoclaved method" filed in Australia, Bangladesh, Cambodia, European Union countries, Indonesia, Nepal, Pakistan, Singapore, South Africa, Taiwan, Thailand, Vietnam and ARIPO countries.

d. Commercialized use of 4% dry waste in corrugated sheets without affecting the quality.

e. Commercialised 9 colors of coated Charminar Fortune (non-asbestos corrugated roofing sheets) meeting the requirement of IS 14871.

f. In-house, cost effective different color paints developed for coating on Chrminar Fortune

g. Low density HYSIL was developed using new technology

h. Commercialized 4 hour fire rated cement based new panel jointing compound.

i. Developed high compressive strength AAC blocks which has superior thermal insulating properties

j. In-house solvent cement formulations are developed for CPVC and UPVC pipes & fittings

k. Developed organic based stabilized UPVC pipes

l. Developing substitutes for raw materials to address issues of declining availability of raw material and also for cost savings.

m. Developing new mix of raw materials for better product attributes and lower costs.

n. Improving cost effectiveness and quality of products through new, improved manufacturing processes, productivity improvements.

o. Effective utilization of resources like energy, water and process waste materials.

p. Developing new applications for our existing products.

II. Benefits derived like product improvement, cost reduction, product development or import substitution:

a. The cost of production was reduced by usage of cost-effective raw materials, reduction in power consumption and improving technical efficiencies.

b. Introduction of value added products helped in increasing customer base.

c. Applying new patent increased the intellectual rights.

III. The Company has not imported any technology during the last three years reckoned from the beginning of the financial year under review.

IV. Expenditure incurred on Research and Development:

Particulars	2018-2019 (₹ in Lacs)
Capital	108.61
Recurring	357.83
Total	**466.44**
Total R&D expenditure as a Percentage of total net turnover	**0.31%**

(C) Foreign exchange earnings and Outgo:

Efforts to identify export opportunities for the products of the Company continued during the year under review. The Company is exploring other offshore markets to increase the quantum of exports, particularly in the Middle East, Asian, Far East and African countries.

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

	Particulars	2018-2019 (₹ in Lacs)
A	Foreign Exchange Earned	-
	Export of Goods (FOB)	45.70
	Others	1031.90
	Total	**1077.60**
B	Foreign Exchange Used	-
	Raw Materials, Components, Spares and Capital Goods (CIF)	19104.87
	Others*	44001.87
	Total	**63106.74**

* includes investment made in subsidiary amounting to ₹43319.66 Lacs.

STANDALONE

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of HIL Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of HIL Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements 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 the ethical requirements that are relevant to our audit of the standalone Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

See note 3(i) and note 22 to the standalone Ind AS financial statements

The key audit matter	How the matter was addressed in our audit
The Company's revenue is principally derived from sale of products of roofing solutions, building solutions, polymer solutions and others. We identified revenue recognition as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be recognised before control has been transferred.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - We assessed the appropriateness of the revenue recognition accounting policies by comparing them with applicable accounting standards; - We evaluated the design of controls and operating effectiveness of the relevant controls with respect to revenue recognition; - We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents; - We tested manual journal entries posted to revenue to identify unusual items; - We carried out year on year product wise variance analysis on revenue recognised during the year to identify unusual variances; - We obtained external confirmations of debtors' outstanding balance as at the financial year end date, selected on a sample basis, directly from customers and - We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.

Independent Auditors' Report on the Audit of the standalone Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019 (continued)

Impairment for investment in a subsidiary

See note 3(g) and note 7 to the standalone Ind AS financial statements

The key audit matter	How the matter was addressed in our audit
The Company has significant investment in a subsidiary which is recorded at cost. We considered impairment of investment in a subsidiary as a key audit matter due to their materiality in the context of the financial statements. Management applies judgment in evaluating whether indicators of impairment are present and if yes, in assessing the future performance and prospects of the subsidiary and in determining the appropriate discount rate.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - We tested the design of controls over the review of the impairment analysis for investment; - We assessed management's assessment of indicators of impairment (both internal and external factors) for reasonableness; - We assessed the reasonableness of forecast inputs, growth assumptions by comparing against the historical trends to assess the reliability of management's forecast and - We have evaluated the adequacy of the disclosures in accordance with requirements of Ind AS.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, Management and 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 Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a 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. Misstatements 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

Independent Auditors' Report on the Audit of the standalone Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019 (continued)

decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, 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, misrepresentations, 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 on whether the Company has adequate internal financial controls 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 Management.
- Conclude on the appropriateness of Management's 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 standalone Ind AS financial statements 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditors' Report on the Audit of the standalone Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019 (continued)

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone Ind AS financial statements. Refer Note 37(A) to the standalone Ind AS financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 51 to the standalone Ind AS financial statements.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone Ind AS financial statements since they do not pertain to the financial year ended 31 March 2019.

4. With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: New Delhi
Date: 27 May 2019

Annexure A

to the Independent Auditors' Report on the standalone Ind AS financial statements of HIL Limited for the year ended 31 March 2019

With reference to the Annexure A referred to in Paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the Members of HIL Limited ("the Company") on the standalone Ind AS financial statements for the year ended 31 March 2019, 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 programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were observed on such verification.

(c) According to the information and explanations given by the Management, the title deeds of immovable properties included in fixed assets and investment property are held in the name of the Company except freehold land and investment property of ₹ 1.27 lacs and ₹ 427.60 lacs respectively, title of which is not registered in the name of the Company. Also refer Note 4(a) and 5(c) to the standalone Ind AS financial statements.

ii. The inventory, except goods-in-transit, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has granted unsecured loan to its wholly owned subsidiary company which is covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Act.

a) The terms and conditions of the grants of such aforesaid loans are not prejudicial to the interest of the Company.

b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments are not yet due.

c) There are no overdue amounts in respect of the aforesaid loans.

iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investment made or loan provided to the parties covered under Section 186 of the Act. According to the information and explanations given to us, the Company has not provided guarantee or security to any party covered under Section 186 of the Act.

v. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. 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 Section 148(1) of the Act, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Service Tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Service Tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any undisputed statutory dues on account of Sales tax, Service tax, Duty of Excise, and Value Added Tax. Also refer note 37 to the standalone Ind AS financial statements.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, the dues outstanding of Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise and Value added tax on account of any dispute are as follows

Statute/ Nature of dues	Amount in Rupees lacs*	Period to which the amount relates	Forum where dispute is pending
Sales tax/ Value added tax	103.10	1988-89, 1990-91, 1997-98, 2007-08	Supreme Court
	302.81	1981-82, 1985-86, 2001-02, 2002-03, 2011-12	High Court(s)
	63.70	1989-2006	Tribunal(s)
	3,032.06	1991-2017	Appellate Authority up to Commissioner's level
Excise duty (including service tax)	1.28	2007-08	High Court(s)
	296.50	2004-2017	CESTAT(s)
	509.28	2003-2017	Appellate Authority up to Commissioner's level
Income-tax	-	2005-06	High Court
	280.01	2008-09, 2009-10, 2010-11, 2012-13	Income-tax Appellate Tribunal
	938.97	2011-12, 2013-14	Appellate Authority up to Commissioner's level
Wealth tax	56.98	1993-94, 1994-95, 1995-96, 1996-97, 1997-98	Hon'ble High Court of Telangana and Andhra Pradesh

*The amounts disclosed are net of payments and include interest and penalties, wherever applicable

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company does not have any outstanding dues to debenture holders.

ix. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company and applied during the year were for the purpose for which they were raised.

x. According to the information and explanations given to us, no material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not a Nidhi Company prescribed under Section 406 of the Act. Accordingly, the provisions of Clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions, have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of the Act.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of Clause 3(xvi) of the Order is not applicable to the Company.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: New Delhi
Date: 27 May 2019

Annexure B

to the Independent Auditors' Report on the standalone Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HIL Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone Ind AS financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone Ind AS financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone Ind AS financial statements.

Meaning of Internal Financial controls with Reference to Standalone Ind AS Financial Statements

A Company's internal financial controls with reference to standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: New Delhi
Date: 27 May 2019

HIL
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STANDALONE BALANCE SHEET

as at 31 March 2019

(₹ in lacs)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	51559.65	44972.24
(b) Capital work-in-progress		2931.57	4903.05
(c) Investment property	5	2070.31	2100.68
(d) Other intangible assets	6	1988.66	2128.76
(e) Financial assets			
(i) Investments	7	27392.64	37.00
(ii) Trade receivables	8	8.23	9.23
(iii) Loans	9	16471.42	880.26
(iv) Other financial assets	10	926.11	180.42
(f) Non-current tax assets (net)		1671.41	512.20
(g) Other non-current assets	11	1367.89	1545.50
Total non-current assets		**106387.89**	**57269.34**
Current assets			
(a) Inventories	12	21986.73	18506.36
(b) Financial assets			
(i) Investments	7	-	12059.19
(ii) Trade receivables	8	11506.03	9965.67
(iii) Cash and cash equivalents	13	777.58	1094.24
(iv) Bank balances other than (iii) above	14	275.97	283.86
(v) Other financial assets	10	608.40	78.23
(c) Other current assets	11	3752.26	2612.57
Total current assets		**38906.97**	**44600.12**
TOTAL ASSETS		**145294.86**	**101869.46**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	749.85	748.98
(b) Other equity	16	63936.46	55863.19
Total equity		**64686.31**	**56612.17**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	29665.67	6646.91
(b) Provisions	20	677.91	587.82
(c) Deferred tax liabilities (net)	32	4802.87	3952.69
(d) Other non-current liabilities	21	366.37	450.49
Total non-current liabilities		**35512.82**	**11637.91**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	5006.96	-
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	966.78	898.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	21373.24	18732.44
(iii) Other financial liabilities	19	10775.16	6086.46
(b) Other current liabilities	21	5797.11	5714.49
(c) Provisions	20	1023.74	944.90
(d) Current tax liabilities (net)		152.74	1243.04
Total current liabilities		**45095.73**	**33619.38**
TOTAL EQUITY AND LIABILITIES		**145294.86**	**101869.46**
Summary of significant accounting policies	3		

See accompanying notes to the standalone financial statements

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272

Place: New Delhi
Date: 27 May 2019

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and
Financial Controller

Place: New Delhi
Date: 27 May 2019

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

(₹ in lacs)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
I INCOME			
Revenue from operations	22	148193.76	132617.14
Other income	23	3177.33	2250.93
TOTAL INCOME (I)		**151371.09**	**134868.07**
II EXPENSES			
Cost of materials consumed	24	67650.58	56438.86
Purchases of stock-in-trade	25	5042.24	3729.70
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(1581.09)	2979.56
Excise duty		-	4643.95
Employee benefits expense	27	12228.41	10430.09
Finance costs	28	1935.12	386.71
Depreciation and amortisation expenses	29	4280.88	4690.04
Other expenses	30	45804.00	39578.49
TOTAL EXPENSES (II)		**135360.14**	**122877.40**
III Profit before exceptional items and tax (I-II)		**16010.95**	**11990.67**
IV Exceptional items		-	-
V Profit before tax (III-IV)		16010.95	11990.67
VI Tax expense:			
Current tax	32	4979.19	4470.51
Income-tax for earlier years	32	62.69	-
Deferred tax	32	816.83	(555.33)
VII Profit for the year (V-VI)		**10152.24**	**8075.49**
VIII Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of defined benefit (liability)/ asset		(103.70)	(91.30)
Income-tax relating to above item		36.24	31.60
		(67.46)	**(59.70)**
(b) Equity investments through other comprehensive income- net change in fair value		9.40	3.50
Income-tax relating to above item		(2.19)	(1.21)
		7.21	**2.29**
Other comprehensive income for the year, net of income-tax		(60.25)	(57.41)
IX Total comprehensive income for the year (VII + VIII)		**10091.99**	**8018.08**
X Earnings per equity share (par value of ₹ 10 each)	35		
Basic (in ₹)		135.94	108.21
Diluted (in ₹)		135.50	108.01
Summary of significant accounting policies	3		

See accompanying notes to the standalone financial statements

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272

Place: New Delhi
Date: 27 May 2019

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and Financial Controller

Place: New Delhi
Date: 27 May 2019

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A Cash flows from operating activities		
Profit for the year (before tax)	16010.95	11990.67
Adjustments for:		
Depreciation and amortisation expense	4280.88	4690.04
Rental income from investment property	(623.59)	(616.74)
Provision for impairment of receivables, advances and other assets, net	(39.85)	(186.37)
Liabilities no longer required written back	(649.77)	(112.58)
Provision for diminution in value of investments	-	142.60
Net gain on sale of property, plant and equipment	(605.54)	(854.39)
Foreign exchange fluctuations, net	530.28	(31.80)
Financial assets measured at FVTPL-net change in fair value	(648.44)	(4.09)
Net gain on sale of investments	(413.65)	(76.65)
Employee stock compensation expense	52.67	38.36
Finance costs	1935.12	386.71
Interest income	(105.02)	(66.97)
Interest income from loan to subsidiary	(506.52)	-
Government grant	(84.55)	(56.36)
Dividend income	(62.80)	(441.01)
Operating profit before changes in assets and liabilities	**19070.17**	**14801.42**
Changes in assets and liabilities:		
(Increase)/ decrease in inventories	(3480.37)	2114.09
Increase in trade receivables and loans	(17139.32)	(1253.86)
(Increase)/ decrease in other financial assets	(5.57)	62.74
Increase in other assets	(1233.31)	(458.19)
Increase in trade payables	2435.42	6086.95
Increase/ (decrease) in other financial liabilities	108.29	(26.96)
Increase in provisions	65.23	730.75
Increase in other current liabilities	669.09	344.91
Cash generated from operating activities	**489.63**	**22401.85**
Income-tax paid (net of refund)	(7296.06)	(3664.11)
Net cash (used in)/ from operating activities (A)	**(6806.43)**	**18737.74**
B Cash flows from investing activities		
Acquisition of property, plant and equipment	(8480.26)	(8070.26)
Proceeds from sale of property, plant and equipment	652.15	986.00
Acquisition of subsidiary	(27346.24)	-
Proceeds from sale of mutual funds	35972.84	3576.65
Purchase of mutual funds	(23500.00)	(13752.32)
Interest received	104.19	34.87
Dividends received	62.80	441.01
Bank balances not considered as cash and cash equivalents	(15.77)	(356.42)
Rent received from long-term investment in properties	623.59	616.74
Net cash used in investing activities (B)	**(21926.70)**	**(16523.73)**

STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
C Cash flows from financing activities*		
Repayment of long-term borrowings	(267.47)	(1086.85)
Receipts of long-term borrowings	27600.00	1328.69
Proceeds/ (repayments) from short-term borrowings (net)	5006.96	(210.26)
Finance costs	(1727.23)	(263.73)
Proceeds from issue of share capital	54.45	-
Dividend paid on equity shares	(1866.53)	(1490.73)
Tax on equity dividend paid	(383.71)	(303.84)
Net cash flow from/ (used in) financing activities (C)	**28416.47**	**(2026.72)**
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**(316.66)**	**187.29**
Cash and cash equivalents at the beginning of the year	1094.24	906.95
Cash and cash equivalents at the end of the year	**777.58**	**1094.24**

*Changes in liabilities arising from financing activities:

(₹ in lacs)

Particulars	As at 01 April 2018	Cash flow changes	Non-cash changes	As at 31 March 2019
Long-term borrowings	6677.25	27361.42	(28.89)	34009.78
Short-term borrowings	-	5006.96	-	5006.96

Note:

a) The above standalone statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

b) Cash and cash equivalents comprises of:

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks:		
- In current accounts	758.57	1091.28
Cheques, draft on hand	16.46	-
Cash on hand	2.55	2.96
Cash and cash equivalents as per balance sheet	**777.58**	**1094.24**

Summary of significant accounting policies (refer note 3)

See accompanying notes to the standalone financial statements

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Vikash Somani
Partner
Membership No.: 061272

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and Financial Controller

Place: New Delhi
Date: 27 May 2019

Place: New Delhi
Date: 27 May 2019

TOGETHER, WE BUILD.

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

a. Equity share capital

(₹ in lacs)

Particulars	Amount
Balance as at 01 April 2017	748.98
Changes in equity share capital during 2017-18	-
Balance as at 31 March 2018	**748.98**
Balance as at 01 April 2018	748.98
Changes in equity share capital during 2018-19	0.87
Balance as at 31 March 2019	**749.85**

b. Other equity

(₹ in lacs)

Particulars	Reserves and surplus					Items of OCI	Total
	Retained earnings	Securities premium	General reserve	Capital redemption reserve	Shares options outstanding account	Equity investments through OCI	
Balance at 31 March 2017	**10762.37**	**624.95**	**38100.00**	**35.00**	**55.63**	**25.16**	**49603.11**
Total comprehensive income for the year ended 31 March 2018							
Profit for the year	8075.49	-	-	-	-	-	8075.49
Share based payment (refer note 41)	-	-	-	-	38.36	-	38.36
Other comprehensive income (net of tax)	(59.70)	-	-	-	-	2.29	(57.41)
Total comprehensive income	**8015.79**	**-**	**-**	**-**	**38.36**	**2.29**	**8056.44**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-
Dividend	(1492.52)	-	-	-	-	-	(1492.52)
Corporate dividend tax	(303.84)	-	-	-	-	-	(303.84)
Balance at 31 March 2018	**15981.80**	**624.95**	**39100.00**	**35.00**	**93.99**	**27.45**	**55863.19**
Balance at 01 April 2018	**15981.80**	**624.95**	**39100.00**	**35.00**	**93.99**	**27.45**	**55863.19**
Total comprehensive income for the year ended 31 March 2019							
Profit for the year	10152.24	-	-	-	-	-	10152.24
Adjustment on initial application of Ind AS 115, net of tax	125.49	-	-	-	-	-	125.49
Share based payment, net of reversal (refer note 41)	-	-	-	-	52.67	-	52.67

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

b. Other equity (Continued)

(₹ in lacs)

Particulars	Reserves and surplus					Items of OCI	Total
	Retained earnings	Securities premium	General reserve	Capital redemption reserve	Shares options outstanding account	Equity investments through OCI	
Other comprehensive income (net of tax)	(67.46)	-	-	-	-	7.21	(60.25)
Total comprehensive income	**10210.27**	**-**	**-**	**-**	**52.67**	**7.21**	**10270.15**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-
Dividend	(1866.74)	-	-	-	-	-	(1866.74)
Corporate dividend tax	(383.71)	-	-	-	-	-	(383.71)
Share option exercised	-	83.57	-	-	(30.00)	-	53.57
Balance at 31 March 2019	**22941.62**	**708.52**	**40100.00**	**35.00**	**116.66**	**34.66**	**63936.46**

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272

Place: New Delhi
Date: 27 May 2019

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and
Financial Controller

Place: New Delhi
Date: 27 May 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1 Corporate information

HIL Limited (the "Company") is a Company domiciled in India, with its registered office situated at SLN Terminus, Gachibowli, Hyderabad -500032, Telangana. The Company has been incorporated under the provisions of Companies Act, 2013 and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited in India.

The Company operations are broadly classified into Roofing Solutions, Building Solutions, Polymer Solutions and Others.

Roofing Solutions consists of manufacturing, selling and distribution of Fiber Cement Sheets, Coloured Steel Sheets and Cement based Non-Asbestos Corrugated Sheets with manufacturing facilities located at Faridabad, Jasidih, Kondapalli, Wada, Sathariya and Balasore.

Building Solution broadly classifies into Wet-Walling Solutions, Dry-Walling Solutions and Thermal Insulation, which includes manufacturing and distribution of Fly Ash Blocks, Smart Fix, Smart Plaster, Smart Bond, Panels and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar and Dharuhera.

Polymer Solutions consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty with manufacturing facilities located at Faridabad, Thimmapur, Golan, Jhajjar.

Others includes Material Handling and Processing Plant and Equipment with manufacturing facilities at Hyderabad, and revenue generated through Wind Turbine Generators situated in Gujarat, Tamil Nadu and Rajasthan.

2 Basis of preparation

A. Statement of compliance

a) Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act under the historical cost convention on an accrual basis going concern except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities

b) The standalone financial statements were authorised for issue by the Company's Board of Directors on 27 May 2019.

c) Details of the Company's accounting policies are included in note 3.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lacs except share data or as otherwise stated.

C. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgment

In preparing these standalone financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 45 – leases: whether an arrangement contains a lease;

Note 45 – lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 11 – impairment test of non-financial assets;

Note 11 – determining the fair value less costs to sell off the non-current assets held for sale on the basis of significant observable inputs;

Note 20 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 34 – measurement of defined benefit obligations: key actuarial assumptions;

Note 53 – impairment of financial assets.

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 – investment property;

Note 11 – non-current assets held for sale;

Note 41 – share based payment arrangements;

Note 53 – financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements unless otherwise indicated.

a. Foreign currency transactions

Transactions in foreign currencies are translated into functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

- foreign currency monetary items are translated in the functional currency at the exchange rate at the reporting date.
- non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
- non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.
- exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in other comprehensive income (OCI).

b. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the profit or loss and are included in other income or expenses.

c. Property, plant and equipment and capital work-in-progress

i. Recognition and measurement

Property, plant and equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortised over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act, except for following assets mentioned below which are based on technical evaluation and past experience:

Plant and machinery: 19 years for continuous processing plants (CPP) as against 15 years

Certain moulds and dies: 6 / 9 years as against 8 years

Wind power generation plant: 25 years as against 22 years

Depreciation on Company's proportionate share in Fly Ash Handling System (capital expenditure not represented by asset owned by the Company but installed at vendor's location) is provided over its useful life of five years on straight line basis.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

d. Intangible assets

i. Recognition

Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Others

Other intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Asset	Years
- Service concession arrangement	25
- Computer software	5

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to charge the public for the use of the infrastructure to the end of the concession period.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which is equal to life prescribed in Schedule II of the Act.

On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a transaction moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis

g. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

h. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

The cost of equity-settled transactions is determined by the fair value at the date when

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in equity, over the period in which the performance and/ or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Company providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of actuarial valuation using the projected unit credit method.

i. Revenue

Revenue from contract with customers

The Company generates revenue from sale of goods or services and other operating avenues. Ind AS 115 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 *Revenue*, Ind AS 11 *Construction*

Contracts. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 April 2018) being included in retained earnings. Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, *Revenue.*

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods, solutions i.e. roofing solutions, building solutions, polymer solution and others and geographic market. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

The Company classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

a. *Sale of products*

(i) Nature and timing of satisfaction of performance obligations, including significant payment terms: The timing of transfer of control is driven by the individual terms of contracts. Invoices are usually payable within agreed credit terms. For customer loyalty programme refer note (b) below.

(ii) Revenue recognition under Ind AS 115 (applicable from 01 April 2018): Revenue is recognised when a customer obtains control of the goods which is driven by the individual terms of contracts. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

(iii) Revenue recognition under Ind AS 18 (applicable before 01 April 2018): Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

b. *Customer loyalty programmes*

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: Customers who purchases products may enter into Company's customer loyalty programme and earn credits. These credits are redeemed against the awards as per the terms of the programme.

(ii) Revenue recognition under Ind AS 115 (applicable from 01 April 2018): The Company allocates a portion of the consideration received to loyalty credits. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liability against performance obligation.

(iii) Revenue recognition under Ind AS 18 (applicable before 01 April 2018): For customer loyalty programmes, the fair value of the consideration received or receivable in

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is shown as contract liability and is recognised as revenue when the award credits are redeemed and the Company has fulfilled its obligations to supply the awards under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

c. *Sale of services*

Revenue from sale of services is recognised when it is measurable and it is probable that future economic benefits will flow to the entity in accordance with tariff provided in power purchase agreement.

d. *Rental income*

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

j. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

l. Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's standalone balance sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

m. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

n. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and continent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the standalone financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

p. Earnings per share ("EPS")

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

q. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

r. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

s. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

t. Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the profit or loss.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

v. Recent accounting pronouncements

Standards issued but not effective on Balance Sheet date:

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard / amendments are applicable to the Company with effect from 01 April 2019.

i. Ind AS 116, Leases

The Company is required to adopt Ind AS 116, *Leases* from 01 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases*.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company plans to apply Ind AS 116 initially on 01 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 01 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 01 April 2019 and identified as leases in accordance with Ind AS 17.

The Company has initiated detail study to ascertain the impact, if any, on its standalone financial statements due to adoption of Ind AS 116 and the same is not reasonably estimable at present.

ii. Other Amendments

The MCA has notified below amendments which are effective 01 April 2019:

- Appendix C to Ind AS 12, Income Taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on preliminary work, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

4. Property, plant and equipment

(₹ in lacs)

Particulars	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and machinery (refer note (b) below)	Furniture and fittings	Office equipments	Vehicles	Total
A. Cost or Deemed cost (Gross carrying amount)									
As at 01 April 2017	2511.80	977.90	12725.07	0.63	33114.04	434.04	205.39	133.41	50102.28
Additions	-	-	291.77	-	2781.60	26.19	64.51	35.33	3199.40
Deletions	(2.96)	-	(85.31)	-	(443.62)	(0.01)	(1.34)	(5.12)	(538.36)
Reclassification to non-current assets held for sale	-	-	(6.49)	-	(346.33)	(2.08)	(1.51)	-	(356.41)
As at 31 March 2018	**2508.84**	**977.90**	**12925.04**	**0.63**	**35105.69**	**458.14**	**267.05**	**163.62**	**52406.91**
Additions	-	-	1719.73	-	8769.57	48.12	79.95	46.12	10663.49
Deletions	-	-	(12.30)	-	(177.62)	(0.24)	(4.37)	(12.81)	(207.34)
Reclassification from non-current assets held for sale	-	-	-	-	41.62	-	-	-	41.62
Reclassification to non-current assets held for sale	-	-	(5.41)	-	-	-	-	-	(5.41)
As at 31 March 2019	**2508.84**	**977.90**	**14627.06**	**0.63**	**43739.26**	**506.02**	**342.63**	**196.93**	**62899.27**
B. Accumulated depreciation									
As at 01 April 2017	-	11.57	546.15	-	3086.66	53.31	59.80	30.66	3788.15
For the year ended 31 March 2018	-	11.52	600.68	0.51	3627.87	58.79	68.69	24.42	4392.48
Deletions	-	-	(1.89)	-	(400.81)	-	(0.22)	(3.83)	(406.75)
Reclassification to non-current assets held for sale	-	-	(0.49)	-	(335.39)	(2.01)	(1.32)	-	(339.21)
As at 31 March 2018	**-**	**23.09**	**1144.45**	**0.51**	**5978.33**	**110.09**	**126.95**	**51.25**	**7434.67**
For the year ended 31 March 2019	-	11.52	586.99	-	3273.51	58.49	67.00	28.02	4025.53
Deletions	-	-	(1.32)	-	(146.06)	(0.12)	(2.90)	(10.33)	(160.73)
Reclassification from non-current assets held for sale	-	-	-	-	40.78	-	-	-	40.78
Reclassification to non-current assets held for sale	-	-	(0.63)	-	-	-	-	-	(0.63)
As at 31 March 2019	**-**	**34.61**	**1729.49**	**0.51**	**9146.56**	**168.46**	**191.05**	**68.94**	**11339.62**
C. Net carrying amounts (A-B)									
As at 31 March 2018	**2508.84**	**954.81**	**11780.59**	**0.12**	**29127.36**	**348.05**	**140.10**	**112.37**	**44972.24**
As at 31 March 2019	**2508.84**	**943.29**	**12897.57**	**0.12**	**34592.70**	**337.56**	**151.58**	**127.99**	**51559.65**

Note:

a) Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad, Freehold Land of the value of ₹ 1.27 lacs (31 March 2018: ₹ 1.27 lacs) is pending for registration in the Company's name.

b) Depreciation for the year ended 31 March 2018 includes accelerated depreciation aggregating to ₹ 625.00 lacs charged on certain plant and machineries of Fibre Cement Sheets business of roofing solutions segment whose balance useful life as re-estimated by the Management is Nil.

c) Refer note 47 for details of assets held for Research and Development.

d) Refer note 17 for details of assets pledged against borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

5 Investment property

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Reconciliation of carrying amount		
Cost or Deemed cost (Gross carrying amount)		
Opening balance	2212.00	2212.00
Additions	-	-
Closing balance	**2212.00**	**2212.00**
Accumulated depreciation		
Opening balance	111.32	58.59
Depreciation for the year	30.37	52.73
Closing balance	**141.69**	**111.32**
Net carrying amounts	**2070.31**	**2100.68**
Fair value	**7926.00**	**7284.00**

Information regarding income and expenditure of investment property:

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Rental income derived from investment properties	623.59	616.74
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	**623.59**	**616.74**
Less: Depreciation	30.37	52.73
Profit arising from investment properties before indirect expenses	**593.22**	**564.01**

B. Measurement of fair values

(i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see note 2(E)).

(ii) Valuation technique

The Company follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, if any. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

C. Investment property comprises of the following:

(i) The Company along with other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Company's share is 15%. The registration of the said plot of the value of ₹ 427.60 lacs (31 March 2018: ₹ 427.60 lacs) in the name of the Company is pending.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

5 Investment property (Continued)

C. Investment property comprises of the following (Continued)

(ii) The Company has given the investment properties located in New Delhi and Hyderabad on operating lease to some parties. Certain lease agreements are cancellable and some are non-cancellable in nature. There are no contingent rents in the lease agreements. The lease terms are mainly for 3-9 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

D. Refer note 45 for details of minimum lease payments.

6 Other intangible assets

(₹ in lacs)

Reconciliation of carrying amount	Softwares	Service Concession	Total
Cost or Deemed cost (Gross carrying amount)			
Balance at 01 April 2017	535.57	1997.94	2533.51
Additions	71.08	-	71.08
Deletions	-	-	-
Balance at 31 March 2018	**606.65**	**1997.94**	**2604.59**
Additions	84.88	-	84.88
Deletions	-	-	-
Balance at 31 March 2019	**691.53**	**1997.94**	**2689.47**
Accumulated amortisation			
Balance at 01 April 2017	124.32	106.68	231.00
Amortisation for the year	153.70	91.13	244.83
Deletions	-	-	-
Balance at 31 March 2018	**278.02**	**197.81**	**475.83**
Amortisation for the year	133.84	91.14	224.98
Deletions	-	-	-
Balance at 31 March 2019	**411.86**	**288.95**	**700.81**
Net carrying amounts			
As at 31 March 2018	328.63	1800.13	2128.76
As at 31 March 2019	**279.67**	**1708.99**	**1988.66**

7 Investments

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Interest in subsidiary		
Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment		
HIL International GmbH, Germany : 34025000 equity shares of Euro 1 each fully paid	27346.24	-
	27346.24	**-**
Refer note 44(a) for details of subsidiary.		
Interest in joint venture		
Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment		
Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid	142.60	142.60
(31 March 2018 : 4125000 equity shares of Naira 1 each fully paid)		
Less: Provision for investment in joint venture	(142.60)	(142.60)
	-	**-**
Refer note 44(b) for details of joint venture.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

7 Investments (Continued)

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in equity instruments - unquoted at FVOCI (refer note (a) below)		
Birla Buildings Limited - 5000 equity shares of ₹ 10 each fully paid	46.40	37.00
(31 March 2018 : 5000 equity shares of ₹ 10 each fully paid)		
	46.40	**37.00**
	27392.64	**37.00**
Aggregate amount of unquoted non-current investments	46.40	37.00
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60
Current		
Investments in mutual funds - quoted at FVTPL	-	12059.19
	-	**12059.19**
Aggregate book value of quoted current investments	-	12059.19
Aggregate market value of quoted current investments	-	12059.19

(a) Equity shares designated as at fair value through other comprehensive income

The Company designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Company intends to hold long-term for strategic purposes.

(₹ in lacs)

Particulars	Investment in Birla Buildings Limited	
	As at 31 March 2019	As at 31 March 2018
Fair value at beginning of the year	37.00	33.50
Dividend income recognised during the respective year	0.50	0.38
Fair value at end of the year	46.40	37.00

No strategic investments were disposed of during 2018-19 and 2017-18, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

8 Trade receivables

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Secured	8.23	9.23
Unsecured	464.37	483.44
	472.60	**492.67**
Less: Provision for impairment	(464.37)	(483.44)
	8.23	**9.23**
Current		
Secured	3056.10	1902.13
Unsecured	9308.52	8894.26
	12364.62	**10796.39**
Less: Provision for impairment	(858.59)	(830.72)
	11506.03	**9965.67**

Refer note 17 for details of trade receivables pledged against borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

9 Loans

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposits		
Unsecured, considered good	935.42	880.26
Doubtful	25.00	25.00
	960.42	**905.26**
Less: Provision for impairment	(25.00)	(25.00)
	935.42	**880.26**
Loan to subsidiary		
Unsecured	15536.00	-
	16471.42	**880.26**

10 Other financial assets

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Unsecured, considered good		
Bank deposits due to mature after 12 months from the reporting date*	204.08	180.42
Derivative assets	722.03	-
	926.11	**180.42**
Doubtful		
Other receivables	644.68	649.58
	644.68	**649.58**
Less: Allowance for doubtful receivables	(644.68)	(649.58)
	-	-
	926.11	**180.42**
* It includes bank deposits held against bank guarantees amounting to ₹ 204.08 lacs (31 March 2018: ₹ 180.42 lacs).		
Current		
Unsecured, considered good		
Interest accrued on fixed deposits and security deposits	79.77	57.65
Interest accrued on loan to subsidiary	485.23	-
Derivative assets	12.35	4.09
Contract asset	27.54	12.93
Other receivables	3.51	3.56
	608.40	**78.23**
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivable	(9.01)	(9.01)
	-	-
	608.40	**78.23**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

11 Other assets

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Unsecured, considered good		
Capital advances	627.39	940.26
Advances other than capital advances		
Balance with government authorities	724.50	584.91
Prepayments	16.00	20.33
	1367.89	**1545.50**
Doubtful		
Advances other than capital advances		
Advance to suppliers	349.16	392.91
	349.16	**392.91**
Less: Allowance for doubtful advances	(349.16)	(392.91)
	-	-
	1367.89	**1545.50**
Current		
Unsecured, considered good		
Advances other than capital advances		
Advance to suppliers	785.65	696.73
Advance to employees	90.08	61.01
Balance with government authorities	2734.16	1709.31
Prepayments	127.28	128.32
Others		
Non-current assets held for sale*	15.09	17.20
	3752.26	**2612.57**

*Management intended to sell plant and machinery of one of the manufacturing facility within the Roofing solution segment in October 2017 and certain buildings of unallocated segment in February 2019. Accordingly, that part of the facilities are presented as non-current assets held for sale. Efforts to sell the assets have started and sales are expected by next financial year.

12 Inventories

(Valued at lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
i) In hand		
Raw materials	7594.30	6709.75
Work-in-progress	275.76	347.47
Finished goods	11347.00	9755.24
Stock-in-trade	235.75	174.71
Stores and spares	887.08	808.69
	20339.89	**17795.86**
ii) In transit		
Raw materials	1646.84	710.50
	21986.73	**18506.36**

The write down of inventories to net realisable value during the year amounted to ₹ 47.34 lacs (31 March 2018: ₹ 155.38). The write down are included in changes in inventories of finished goods and work-in-progress.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

13 Cash and cash equivalents

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	2.55	2.96
Balances with banks		
- in current accounts	758.57	1091.28
Cheques, drafts on hand	16.46	-
	777.58	1094.24

14 Other bank balances

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unpaid dividend accounts	91.86	91.65
Deposits with remaining maturity of less than 12 months *	184.11	192.21
	275.97	283.86

* It includes bank deposits held against bank guarantees amounting to ₹ 184.11 lacs (31 March 2018: 192.21 lacs).

15 Share capital

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised share capital		
9500000 (31 March 2018: 9500000) equity shares of ₹ 10 each	950.00	950.00
50000 (31 March 2018: 50000) preference shares of ₹ 100 each	50.00	50.00
	1000.00	1000.00
Issued, subscribed and fully paid up capital		
7471343 (31 March 2018: 7462563) equity shares of ₹ 10 each fully paid-up	747.13	746.26
Forfeited shares (amount originally paid-up)	2.72	2.72
	749.85	748.98

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2019		31 March 2018	
	Number of shares	Amount ₹ in lacs	Number of shares	Amount ₹ in lacs
Shares outstanding at the beginning of the year	7462563	746.26	7462563	746.26
Shares issued on exercise of Employee Stock Option Scheme (refer note 41)	8780	0.87	-	-
Shares outstanding at the end of the year	7471343	747.13	7462563	746.26

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

15 Share capital (Continued)

(ii) Terms and rights attached to the equity shares (Continued)

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Particulars of shareholders holding more than 5% of total number of equity shares

Equity shares of ₹ 10 each, fully paid-up	31 March 2019		31 March 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	1074634	14.38	1074634	14.40
Orient Paper and Industries Limited	906360	12.13	906360	12.15

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option Scheme of the Company, refer note 41.

16 Other equity

(A) Reserves and surplus

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Securities premium		
Balance at the commencement of the year	624.95	624.95
Add: Additions during the year	83.57	-
	708.52	**624.95**

Security premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(ii) General reserve		
Balance at the commencement of the year	39100.00	38100.00
Add: Amount transferred from surplus balance in the standalone statement of profit and loss	1000.00	1000.00
	40100.00	**39100.00**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

16 Other equity (Continued)

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(iii) Capital redemption reserve		
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	35.00	**35.00**

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(iv) Share options outstanding account		
Balance at the commencement of the year	93.99	55.63
Less: Shares exercised during the period	(30.00)	-
Add: Share based payment expenses (refer note 27)	52.67	38.36
	116.66	**93.99**

The Company has established an equity-settled share-based payment plan for certain categories of employees of the Company. Refer note 41 for further details on this plan.

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(v) Retained earnings		
Balance at the commencement of the year	15981.80	10762.37
Add: Adjustment on initial application of Ind AS 115, net of tax	125.49	-
Add: Profit for the year	10152.24	8075.49
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of post employment benefit obligations, net of tax	(67.46)	(59.70)
Amount available for appropriations	26192.07	18778.16
Less : Appropriations		
Interim dividend on equity shares (amount per share ₹ 12.50 (31 March 2018: ₹ 10.00))	(933.92)	(746.26)
Transferred to general reserve	(1000.00)	(1000.00)
Final dividend on equity shares (amount per share ₹ 12.50 (31 March 2018: ₹ 10.00))	(932.82)	(746.26)
Corporate dividend tax on equity shares	(383.71)	(303.84)
Total appropriations	**(3250.45)**	**(2796.36)**
	22941.62	15981.80
Total reserves and surplus (A)	**63901.80**	**55835.74**

(B) Other comprehensive income ("OCI")

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Equity investments through OCI		
Balance at the commencement of the year	27.45	25.16
Changes in fair value	7.21	2.29
Total other comprehensive income (B)	**34.66**	**27.45**
Total (A+B)	**63936.46**	**55863.19**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

16 Other equity (Continued)

Dividends

After the reporting dates, the following dividends on equity shares (excluding corporate dividend tax) were proposed by the Board of Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Dividend on equity shares (amount per share ₹ 12.50 (31 March 2018: ₹ 12.50))	933.92	932.82
Corporate dividend tax	191.97	189.90

17 Borrowings

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings		
Secured		
Term loan from bank (refer note (a) below)	24534.11	-
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (b) below)	4841.36	6300.06
Unsecured		
Deferred payment liabilities		
- Deferred sales tax loan (refer note (c) below)	290.20	346.85
	29665.67	**6646.91**
Current borrowings		
Unsecured		
Loans repayable on demand		
From bank		
- Working capital loan (refer note (d) below)	5006.96	-
	5006.96	**-**

(a) A term loan taken from Kotak Mahindra Bank amounting to ₹ 27323.00 lacs is repayable in 19 equal quarterly instalments starting from 31 October 2019 amounting to ₹ 1380.00 lacs and the final instalment of ₹ 1103.00 lacs which is falling due on 31 July 2024. The loan carries an interest rate as MCLR + spread which has been 8.55% p.a. to 8.70% p.a. during the year. The loan is secured by way of exclusive equitable mortgage of land and building situated at Faridabad, Sanathnagar and Chennai locations of the Company. The Company is in the process of creation of charge on the said properties in favour of the bank as on the reporting date.

(b) Represents interest free sales tax loan taken from a financial institution and is repayable after 7 years from the date of its respective disbursement. The last instalment is falling due in August 2024. As per the agreement, these loans are secured by way of first charge on its entire assets of Sathariya unit, first charge on plant and machinery of its Balasore unit and collateral security of Corporate office building of the Company located at Gachibowli, Hyderabad.

(c) Deferred sales tax loan was sanctioned towards the sales tax dues relating to Thimmapur, Kondapalli and Chennai unit. The loans are interest free and repayable at the end of 8 to 14 years from the month of deferral. The repayment of the deferral scheme has already commenced for all units. The Company has paid the last instalment for Chennai and Kondapalli during the previous year. Last instalment for Thimmapur unit is due during 2023-24.

(d) The Company availed working capital loan from two banks. These loans are repayable on demand and carries an interest rate as MCLR + spread which has been 8.05% p.a. to 8.60% p.a during the year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

18 Trade payables

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 39)	966.78	898.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	21373.24	18732.44
	22340.02	**19630.49**

19 Other financial liabilities

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term debt (refer note 17 above)	4344.11	30.34
Interest accrued but not due on borrowings	202.79	-
Capital creditors	465.29	487.58
Unpaid dividend*	91.86	91.65
Sundry deposits	4812.49	4737.99
Derivative liabilities	85.93	-
Other financial liabilities	772.69	738.90
	10775.16	**6086.46**

* Investor Education and Protection Fund shall be credited when due.

20 Provisions

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits		
- Gratuity (refer note 34)	164.51	130.98
- Compensated absences	513.40	456.84
	677.91	**587.82**
Current		
Provision for employee benefits		
- Compensated absences	34.33	42.68
- Employee related other costs (refer note 40)	31.46	75.09
Provision for litigations (refer note 40)	357.95	227.13
Provision- others (refer note 40)	600.00	600.00
	1023.74	**944.90**

21 Other liabilities

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Government grant	366.37	450.49
	366.37	**450.49**
Current		
Contract liablity against payment	992.88	1221.60
Statutory liabilities	956.30	840.57
Government grant	84.55	84.55
Contract liability against performance obligation (refer note 52)	1296.13	1293.78
Other liabilities	2467.25	2273.99
	5797.11	**5714.49**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

22 Revenue from operations

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty)		
Finished goods	137326.92	127729.94
Traded goods	9443.02	4285.15
Sale of services		
Service concession arrangements	260.74	282.04
Other operating revenues		
Scrap sales	513.31	207.43
Liabilities no longer required, written back	649.77	112.58
	148193.76	**132617.14**

The Company is liable to Goods and Services Tax ("GST") with effect from 01 July 2017. The revenues for the year ended 31 March 2019 and 31 March 2018 is net of such GST. However, the revenues for the period 01 April 2017 to 30 June 2017 included in year ended 31 March 2018 are inclusive of excise duty.

Refer note 33 for segment wise details.

Reconciliation of revenue from sale of products with the contract prices

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Contracted price	155821.19	138023.18
Less: discounts	9051.25	6008.09
	146769.94	**132015.09**

23 Other income

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Dividend income on equity securities - at FVOCI- investment held at reporting date	0.50	0.38
Dividend income on current investments - at FVTPL	62.30	440.63
Gain on sale of current investments, net	413.65	76.65
Interest income under the effective interest method on financial assets	105.02	66.97
Interest income from loan to subsidiary	506.52	-
Rental income		
From investment property	623.59	616.74
From others	15.73	16.18
Net gain on sale of property, plant and equipment	605.54	854.39
Net gain on foreign currency transactions	-	31.80
Fair value gain on financial assets measured at fair value through profit and loss, net	648.44	4.09
Government grants	84.55	56.36
Miscellaneous income	111.49	86.74
	3177.33	**2250.93**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

24 Cost of raw materials consumed

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of materials at the beginning of the year	7420.25	6730.34
Add: Purchases during the year	69471.47	57128.77
Less: Inventory of materials at the end of the year	9241.14	7420.25
	67650.58	**56438.86**

25 Purchases of stock-in-trade

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of stock-in-trade	5042.24	3729.70

26 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventories at the beginning of the year		
Finished goods	9755.24	12563.64
Stock-in-trade	174.71	232.35
Work-in-progress	347.47	292.05
	10277.42	**13088.04**
Inventories at the end of the year		
Finished goods	11347.00	9755.24
Stock-in-trade	235.75	174.71
Work-in-progress	275.76	347.47
	11858.51	**10277.42**
Changes in inventories	(1581.09)	2810.62
Add: Stocks of finished goods out of trial run production	-	168.94
	(1581.09)	**2979.56**

27 Employee benefits expense

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	10457.52	8955.23
Contribution to provident and other fund (refer note 34)	568.62	512.73
Employee share based payment expense - equity settled (refer note 41)	52.67	38.36
Gratuity expenses (refer note 34)	194.05	165.87
Staff welfare expenses	955.55	757.90
	12228.41	**10430.09**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

28 Finance costs

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on long-term loans measured at amortised cost	1473.62	-
Interest expenses on working capital loans measured at amortised cost	154.45	-
Interest expenses on other financial liabilities measured at amortised cost	68.76	43.38
Interest expenses on income-tax	4.67	79.60
Interest expenses on others	233.62	263.73
	1935.12	**386.71**

29 Depreciation and amortisation expenses

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment (refer note 4)	4025.53	4392.48
Amortisation of intangible assets (refer note 6)	224.98	244.83
Depreciation on investment property (refer note 5)	30.37	52.73
	4280.88	**4690.04**

30 Other expenses

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	3611.93	3097.55
Power and fuel	6501.48	5637.64
Contract wages	4511.86	3427.82
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	851.15	830.09
Buildings	723.32	275.70
Others	900.68	1638.67
Carriage outwards	16275.76	14543.14
Packing expenses	773.64	680.55
Rent (refer note 45)	498.81	2367.06
Rates and taxes	281.42	1792.18
Excise duty on decrease in inventories	-	(1861.23)
Insurance	99.82	74.94
Professional, consultancy and legal expenses (refer note (i) below)	1447.10	1692.75
Advertisement and sales promotion	4371.47	1887.82
Travelling and conveyance	1905.96	1595.37
Commission on sales	235.16	145.89
Directors' commission	107.50	106.50
Directors' fee	59.50	43.00
Donations (refer note (ii) below)	303.83	-
Provision for impairment of receivables, advances and other assets, net	(39.85)	(186.37)
Bad debt written off	162.41	15.07
Provision for diminution in value of investments	-	142.60
Net loss on foreign currency transactions	530.28	-
Expenditure on corporate social responsibility (refer note 31)	204.71	242.15
Miscellaneous	1486.06	1389.60
	45804.00	**39578.49**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

30 Other expenses (Continued)

Note:

(i) Payment to auditors (included in professional, consultancy and legal expenses) (exclusive of taxes)

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
As auditor		
Statutory audit fee	36.00	35.00
Tax audit fee	5.50	5.00
Limited review of quarterly results	15.00	18.00
Consolidation	18.50	-
For other services		
For certification, income tax, company law matters, etc.	11.50	4.75
For reimbursement of expenses	5.14	1.58
	91.64	**64.33**

(ii) Donations include ₹ 300.25 lacs (31 March 2018: Nil) contribution made to Electoral Trust.

31 Details of corporate social responsibility expenditure

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Gross amount required to be spent by the Company during the year	163.46	148.56
b) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	204.71	242.15

32 Income-tax

(A) Amount recognised in standalone statement of profit and loss

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax	4979.19	4470.51
Income-tax for the earlier years	62.69	-
Deferred tax attributable to temporary differences	816.83	(555.33)
Tax expenses	**5858.71**	**3915.18**

(B) Amount recognised in other comprehensive income ("OCI")

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Deferred tax related to items recognised in OCI		
Deferred tax on remeasurements of defined benefit plans	36.24	31.60
Deferred tax on fair value gain on investments in equity instruments through OCI	(2.19)	(1.21)
Deferred tax income/ (expense) recognised in OCI	**34.05**	**30.39**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

32 Income-tax (Continued)

(C) Reconciliation of effective tax rate

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	16010.95	11990.67
Enacted tax rate in India	34.944%	34.608%
Tax using the Company's domestic tax rate	5594.87	4149.73
Tax effect of:		
Non-deductible tax expenses	604.24	111.99
Tax exempt income	(21.95)	(152.62)
Rate difference	(67.21)	(45.52)
Tax incentives	(307.86)	(143.75)
Others	(6.07)	(4.64)
	5796.02	**3915.19**
Adjustments in respect of income-tax for earlier years	62.69	-
Income-tax recognised in the standalone statement of profit and loss	**5858.71**	**3915.19**

The tax rate used for reconciliation above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Indian tax law.

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in books of account	7556.34	6763.57
Fair value gain on derivatives	226.59	-
Others	20.68	12.85
Total deferred tax liabilities (A)	**7803.61**	**6776.42**
Deferred tax assets		
Allowable for tax purposes on payment basis	2035.29	1746.91
Provision for doubtful trade receivables	805.21	819.14
Voluntary early retirement scheme	115.43	206.04
Others	44.81	51.64
Total deferred tax assets (B)	**3000.74**	**2823.73**
Net deferred tax (asset)/ liability (A-B)	**4802.87**	**3952.69**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

32 Income-tax (Continued)

(E) Movement in temporary differences:

(₹ in lacs)

Particulars	Balance as at 01 April 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018	Ind AS 115 transitional adjustment in retained earnings	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019
Deferred tax liabilities								
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in books of account	6820.42	(56.85)	-	6763.57	-	792.77	-	7556.34
Fair valuation gain in derivatives	-	-	-	-	-	226.59	-	226.59
Other items	8.44	3.20	1.21	12.85	-	5.64	2.19	20.68
Total deferred tax liabilities (A)	**6828.86**	**(53.65)**	**1.21**	**6776.42**	**-**	**1025.00**	**2.19**	**7803.61**
Deferred tax assets								
Allowable for tax purposes on payment basis	1092.83	654.08	-	1746.91	-	252.14	36.24	2035.29
Provision for doubtful trade receivables	826.44	(7.30)	-	819.14	-	(13.93)	-	805.21
Voluntary early retirement scheme	318.40	(112.36)	-	206.04	-	(90.61)	-	115.43
Other items	52.78	(32.74)	31.60	51.64	(67.40)	60.57	-	44.81
Total deferred tax assets (B)	**2290.45**	**501.68**	**31.60**	**2823.73**	**(67.40)**	**208.17**	**36.24**	**3000.74**
Net deferred tax (asset)/ liability (A-B)	**4538.41**	**(555.33)**	**(30.39)**	**3952.69**	**67.40**	**816.83**	**(34.05)**	**4802.87**

33 Operating segments

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of paragraph 3 of Ind AS 108 'Operating Segments' no disclosures related to segment are presented in this standalone financial statements.

34 Employee benefits

The Company has the following post-employment benefit plans:

(a) Defined contribution plan

The following amount has been recognised as an expense in standalone statement of profit and loss on account of contribution to provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Contribution to provident fund	499.18	438.38
Contribution to employees state insurance schemes	38.64	38.42
Contribution to super annuation fund	30.80	35.93
	568.62	**512.73**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

34 Employee benefits (Continued)

b) Defined benefit plan

In accordance with the 'The Payment of Gratuity Act, 1972' of India, the Company provides for Gratuity, the Employees' Gratuity Fund Scheme (the Gratuity Plan), covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the standalone statement of profit and loss. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The Gratuity plan managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India ("LIC"). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 31 March 2019 (31 March 2018: no decrease in defined benefit asset).

i) Reconciliation of the net defined benefit (asset)/ liability

The following tables summarises the components of net benefit expense recognised in the standalone statement of profit and loss, the funded status and amount recognised in the standalone balance sheet for the gratuity plan:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	1496.55	1333.29
Current service cost	184.49	158.83
Interest cost	109.17	99.12
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	2.65	-
- change in financial assumptions	(51.35)	15.94
- experience variance (i.e. actual experience vs assumptions)	48.58	75.36
Benefits paid	(189.40)	(185.99)
Balance at the end of the year	**1600.69**	**1496.55**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	1365.57	1238.56
Interest income	99.62	92.08
Contributions paid into the plan	90.62	73.70
Benefits paid	(15.81)	(38.77)
Return on plan assets, excluding amount recognised in net interest expense	(103.82)	-
Balance at the end of the year	**1436.18**	**1365.57**
Net defined benefit (asset)/ liability recognised in standalone balance sheet	**164.51**	**130.98**
Expense recognised in standalone statement of profit and loss		
Current service cost	184.49	158.83
Net interest cost/ (income) on the net defined benefit liability/ (assets)	9.56	7.04
	194.05	**165.87**
Remeasurements recognised in other comprehensive income		
Actuarial loss/ (gain) on defined benefit obligation	(0.12)	91.30
Return on plan assets, excluding amount recognised in net interest expense	103.82	-
	103.70	**91.30**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

34 Employee benefits (Continued)

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2019	31 March 2018
Fund managed by LIC	100%	100%

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2019	31 March 2018
Discount rate	7.70%	7.30%
Future salary growth	8.00%	8.00%
Attrition rate	5.00%	5.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

(₹ in lacs)

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	1479.58	1739.80	1389.08	1620.39
Effect of 1% change in the assumed salary growth rate	1738.02	1478.84	1618.31	1388.80
Effect of 1% change in the assumed attrition rate	1588.23	1615.46	1478.48	1518.99

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of ₹ 355.78 lacs to the plan for the next annual reporting period.

Maturity profile of the defined benefit obligation

Expected cash flows

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Within 1 year	130.57	195.79
2 to 5 years	630.17	594.50
6 to 10 years	855.96	649.50
More than 10 years	1928.08	1647.48

As at 31 March 2019, the weighted average duration of the defined benefit obligation was 8 years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

35 Earnings per share ("EPS")

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
(a) Net profit attributable to the equity shareholders	10152.24	8075.49
(b) Weighted average number of equity shares outstanding during the year	7467951	7462563
(c) Effect of potential equity shares on employee stock option outstanding	24359	13788
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b) + (c)]	7492310	7476351
(e) Nominal value of equity shares (in ₹)	10.00	10.00
(f) Basic earnings per share (in ₹) [(a)/(b)]	135.94	108.21
(g) Diluted earnings per share (in ₹) [(a)/(d)]	135.50	108.01

36 Capital commitments

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	1992.46	1381.58

37 A. Contingent liabilities (not provided for) in respect of:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
(a) Demand raised by the Income-tax authorities, being disputed by the Company*	1934.04	1942.93
(b) Demands raised by sales tax authorities, being disputed by the Company**	2519.17	2209.59
(c) Demands (including penalties) raised by excise authorities, being disputed by the Company***	829.66	3002.00
(d) Appeal filed by the Company before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income-tax department pertaining to wealth tax matter.	56.98	56.98
(e) Pending cases with High Court where Income-tax department has preferred appeals	596.26	596.26
(f) Demand for property tax, being disputed by the Company	252.15	561.86
(g) Other claims against the Company not acknowledged as debts ****	286.64	288.39

(h) There are other civil matters against the Company of which one such case is pertaining to certain mining activity performed by the Company in the past. During the year, Tribunal has referred the case to concerned state authorities to evaluate the cost of restoration of the affected area and submit the report to recover the cost from the parties involved. Further, claims from other affected parties, if any, would have to be examined. Considering no action has been taken with respect to the above and no demand for cost of the aforesaid has been made to the Company, Management believes it is not possible to ascertain the financial impact on the Company.

* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment for the financial years 2008-09 to 2014-15. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, depreciation expenses on wind mill, other expenses not allowed and capital gain on relinquishment of right on leasehold land.

** The demands raised by the sales tax authority are mainly towards enhancement of turnover due to certain disallowances, entry tax on stock transfers and local sales tax demand upon completion of assessment and various other miscellaneous cases raised by the respective state authorities.

*** The demand raised by the excise authority is mainly towards excise duty demand including interest and penalty towards disallowance of availment of CENVAT credit and wrong classification of products as taxable versus exempt product.

**** Other claims against the Company not acknowledged as debt mainly includes liability towards fuel surcharge adjustment disputed with electricity board for the financial year 2008-09 and 2009-10.

The Company is contesting the demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the standalone financial statements for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the Company's standalone financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

37 B. On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company has made a provision for provident fund contribution based on the best estimate. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

38 Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at	
			31 March 2019	31 March 2018
Supercor Industries Limited	Joint venture	Nigeria	33%	33%
HIL International GmbH (refer note 44(a))	Wholly owned subsidiary	Germany	100%	-
Parador Holding GmbH (refer note 44(a))	Step-down subsidiary	Germany	100%	-
Parador GmbH	Step-down subsidiary	Germany	100%	-
Parador Parkettwerke GmbH	Step-down subsidiary	Austria	100%	-
Parador (Shanghai) Trading Co., Ltd.	Joint venture	China	50%	-

Name of the related party	Nature of relationship
Key Management personnel	
Mr. Dhirup Roy Choudhary	Managing Director and Chief Executive Officer ("CEO")
Mr. KR Veerappan	Chief Financial Officer
Mr. G Manikandan	Company Secretary and Financial Controller
Non-Executive Directors and Independent Directors	
Mr. CK Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrapal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. V.V. Ranganathan	Independent Director (joined on 19 March 2019)
Mr. Arvind Sahay	Independent Director (joined on 08 February 2019)
Mr. P. Vaman Rao	Independent Director (resigned w.e.f. 08 February 2019)
Mr. Yash Paul	Independent Director (resigned w.e.f. 19 March 2019)

B. Transactions with related parties

Related party	Nature of transactions	31 March 2019	31 March 2018
Non-Executive Directors and Independent Directors	Sitting fees and commission	167.00	149.50
Managing Director and Chief Executive Officer	Managerial remuneration*	362.38	297.02
	Share based payment	56.83	38.30
Chief Financial Officer	Managerial remuneration*	178.31	155.15
	Share based payment	7.95	10.08
Company Secretary and Financial Controller	Managerial remuneration*	55.81	47.12
Parador GmbH, Germany	Purchase of goods	4.86	-
HIL International GmbH, Germany	Reimbursement of expenses	525.37	-
	Loan given	15536.00	-
	Interest income on loan	506.52	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

38 Related parties (Continued)

C. Balances outstanding

Related party	Details	31 March 2019	31 March 2018
Supercor Industries Limited, Nigeria	Dividend receivable on investments#	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	107.50	106.50
Managing Director and Chief Executive Officer	Managerial remuneration*	76.83	71.05
	Share based payment	95.14	38.30
Chief Financial Officer	Managerial remuneration*	37.10	32.35
	Share based payment	21.52	29.43
Company Secretary and Financial Controller	Managerial remuneration*	8.16	6.57
Parador GmbH, Germany	Trade payable	4.86	-
HIL International GmbH, Germany	Loan given	15536.00	-
	Interest accrued on loan	485.23	-

#During previous year, the Company made provision for the dividend receivable amounting to ₹ 9.01 lacs from Supercor Industries Limited ("Supercor") as the receipt of same is considered to be doubtful. Further, the Company has also made provision for value of investment in Supercor in the books of account amounting to ₹ 142.60 lacs.

*As the future liabilities for gratuity and leave encashment is provided on an actuarial basis and payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

39 Details of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [including ₹ 11.83 lacs shown under capital creditors (31 March 2018: ₹ Nil)];	978.61	898.05
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
(c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006;	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Nil	Nil

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

40 Other provisions

(₹ in lacs)

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance
(i) For the year 2018-19				
Provision for employee related other costs [refer note (a) below]	75.09	21.82	65.45	31.46
Provision for litigations [refer note (b) below]	227.13	168.70	37.88	357.95
Provision- others [refer note (c) below]	600.00	-	-	600.00
	902.22	**190.52**	**103.33**	**989.41**
(ii) For the year 2017-18				
Provision for employee related other costs [refer note (a) below]	88.11	55.39	68.41	75.09
Provision for litigations [refer note (b) below]	99.19	130.91	2.97	227.13
Provision- others [refer note (c) below]	-	600.00	-	600.00
	187.30	**786.30**	**71.38**	**902.22**

(a) The wage agreements at one of the manufacturing locations (31 March 2018: at four) of the Company are pending as at 31 March 2019. It is expected that agreement will be entered in next year and arrears would be paid based on the agreement. The provision for wage arrears have been made on the basis of expected outflows.

(b) Provision for litigations represents provision towards potential liability against various ongoing indirect tax cases based on Company's internal assessment.

(c) Provision- others represents provision towards possible obligation against certain past events for which the expected outflow is certain.

41 Share based payments

A. Description of share-based payment arrangements

Employee stock option scheme (equity-settled)

The Company provides share-based payment schemes to its eligible employees as identified in the "HIL Employees Stock Option Scheme 2015 (HIL ESOS)". The relevant details of the scheme and the grant are as below:

On 12 May 2015 the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2015 ("HIL ESOS") for issue of stock options to identified employees of the Company.

According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation Committee entitled to options, subject to satisfaction of the prescribed vesting conditions viz, continuing employment on the rolls of the Company as on 01 April 2015 as well as new employees who replaces the old eligible employee and joins the employment of the Company before 30 June 2017. The relevant terms of the grant as mentioned in the ESOP scheme 2015 are as below:

Particulars	Grant I	Grant II
Date of grant	17 August 2015	27 July 2017
Number of options outstanding	21950	35600
Vesting period	40% - end of year 3	40% - end of year 3
	60% - end of year 4	60% - end of year 4
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting
Exercise price (₹)	620.00	620.00
Weighted average market price (₹)	789.59	1091.02

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

41 Share based payments (Continued)

B. Measurement of fair values

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

As at 31 March 2019 and 31 March 2018

	Grant I		Grant II	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Grant date	17 August 2015		27 July 2017	
Fair value at grant date (₹)	341.69	341.69	563.45	563.45
Exercise price (₹)	620.00	620.00	620.00	620.00
Expected volatility (weighted average volatility)	34.32%	37.84%	33.04%	33.67%
Risk-free interest rate (based on government bonds)	7.43%	7.43%	6.41%	6.41%
Time to maturity (in years)	6.00	7.00	6.00	7.00
Expected dividends yields	3.02%	3.02%	2.50%	2.50%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining contractual life for the stock options outstanding is 5.68 years (31 March 2018: 6 years).

C. Reconciliation of outstanding share options

The details of activity under "HIL ESOS" are summarised below:

Particulars	31 March 2019	31 March 2018
	No. of options	No. of options
Outstanding at the beginning of the year	57550	33350
Granted during the year	-	35600
Cancelled during the year*	6210	11400
Vested and exercised during the year	8780	-
Outstanding at the end of the year	42560	57550

* Cancelled stock options lies in pool account for future grants.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2019 was ₹ 2,195.10 (31 March 2018: No options exercised).

D. Expense recognised in the standalone statement of profit and loss

For details on the employee benefits expense, see note 27.

42 Particulars of hedged foreign currency exposure as at the balance sheet date

The details of forward contracts outstanding at the year end are as follows:

Particulars	Currency	Number of contracts	Amount in foreign currency	Purpose
As at 31 March 2019	US$	23	8179546	For hedging of trade payables
	EUR	22	11250000	For hedging of loan receivables
As at 31 March 2018	US$	6	1335094	For hedging of trade payables

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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43 Service concession arrangement

On 21 March 2011, the Company entered into a service concession agreement with Gujarat Urja Vikas Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 18 April 2011. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 1.8 MW wind power plant at village Vandhiya, Gujarat for a period of 25 years at a fixed rate of ₹ 3.56 per kwh for delivered energy as certified by state electricity authority of Gujarat state load dispatch center ("SLDC"), starting from 18 April 2011 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

On 24 September 2014, the Company entered into a service concession agreement with Ajmer Vidyut Vitran Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 30 September 2014. Under the terms of the agreement, the Company will sell all available capacity of electricity generated from the 2 MW wind power plant at village Rajgarh, district Jaisalmer for a period of 25 years at a fixed rate of ₹ 5.31 per kwh for the delivered energy conforming the standards as approved by Rajasthan Electricity Regulatory Commission ("RERC"), starting from 30 September 2014 (commercial operation date). The Company will be responsible for any maintenance services required during the concession period. The Company does not expect major repairs to be necessary during the concession period.

The Company recognised service concession arrangement with Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited under intangible asset model, on the basis that the Company will receive variable amount of revenue from the respective discoms in Gujarat and Rajasthan depending upon the actual amount of electricity generated and supplied to the respective discoms. The discoms has not assured any minimum amount of proceeds to the Company. The Company bears the demand risk and the right to receive cash from the Discoms is not unconditional i.e. it depends upon the actual amount of electricity generated and supplied to the discoms.

The service concession agreements with the Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited does not contain a renewal option. The standard rights of the grantor to terminate the agreement in both the arrangements include poor performance by the Company and the event of a material breach of the terms of the agreement by the Company. The standard rights of the Company to terminate the agreement in both the arrangements include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, the Company has recorded revenue of ₹ 260.74 lacs (31 March 2018: ₹ 282.04 lacs) on generation of power, and recorded profit of ₹ 123.89 lacs (31 March 2018: ₹ 182.29 lacs).

44 Investment

a) Interest in subsidiary

The Company incorporated a wholly owned subsidiary "HIL International GmbH" at Germany on 04 July 2018 which acquired 100% shareholding of Parador Holding GmbH, Germany through sale and purchase agreement dated 11 July 2018 and completed the acquisition on 27 August 2018.

b) Interest in joint venture

The Company's interest in a joint venture company is as follows:

Name of the joint venture company	Country of incorporation	Proportion of ownership interest	For the year ended on	Description of Interest
Supercor Industries Limited	Nigeria	33%	31 December 2018	JV established for manufacture of asbestos cement sheets

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

44 Investment (Continued)

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entity as at and for the years ended 31 December 2018 and 2017 are as follows:

Proportion of Company's interest in a joint venture company

(₹ in lacs)

Particulars	31 December 2018 (Unaudited)*	31 December 2017 (Unaudited)*
Assets		
Non-current assets	-	-
Current assets	-	-
Liabilities		
Non-current liabilities	-	-
Current liabilities	-	-
Income		
Revenue from operations	-	-
Other income	-	-
Expenses		
Raw materials consumed	-	-
Manufacturing and other expenses	-	-
Interest and financial charges	-	-
Depreciation expense	-	-
Provision for tax	-	-
Proposed dividend	-	-
Contingent liabilities	-	-
Capital commitments	-	-

*Data not available. refer note (c) below

During the year ended 31 March 2019 and 31 March 2018, the Company did not receive any dividend from Supercor Industries Limited.

c) The Company holds 33% stake in Supercor Industries Limited ("Supercor") and its investment in Supercor as at 31 March 2019 amounts to ₹ Nil (31 March 2018: ₹ Nil), after considering the provision for diminution in value of investments amounting to ₹ 142.60 lacs (31 March 2018: ₹ 142.60 lacs). Supercor suspended its operations from November 2015, none of the employees of Supercor are attending office and the power connection at the office of Supercor has also been discontinued. On account of this reason, Supercor has been unable to prepare its year end accounts. Therefore, due to non-availability of any information from Supercor and the unusual circumstances mentioned above, which is beyond the control of the Company, the Company is unable to present the required information.

During earlier years, the Company had filed a winding up petition in Nigeria for Supercor and made 100% provision against the investment value and outstanding receivable balances. As informed by Management, the winding-up petition filed by the Company in 2016 has been dismissed in Nigerian Court. An interim Board has been set up by the Nigerian Government for assessing the revival of the operations. However, detailed plan of action from the interim Board of Supercor is awaited. The Management does not foresee any future liability on account of any claim, with respect to Supercor over and above the amount invested in Supercor.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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45 Leases

i. Operating lease in the capacity of lessor

The Company has given certain properties under non-cancellable operating leases to various parties. Following are the details of future minimum lease payments under the agreement:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Not later than one year	248.94	421.47
Later than one year and not later than five years	143.52	392.46
Later than five years	-	-

ii. Operating lease in the capacity of lessee

a) The Company has certain operating leases for office facilities and residential premises (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of ₹ 498.81 lacs (31 March 2018: ₹ 446.00 lacs) in respect of obligation under operating leases have been recognised in the standalone statement of profit and loss.

b) The Company had certain cancellable arrangements with the parties (which conveys a right to use an asset in return for a payment or a series of payments) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expense of ₹ Nil (31 March 2018: ₹ 1921.06 lacs) in respect of obligation under operating leases have been recognised in the standalone statement of profit and loss. It includes payment for non-lease elements in the arrangement as the same is impracticable to separate the payments reliably.

46 Capital management

The Company aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business.

In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes long-term borrowings (including current maturities) and short-term borrowings.

The Company's total debt to equity ratio at the reporting dates were as follows:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Total debt	39016.74	6677.25
Total debt (A)	**39016.74**	**6677.25**
Total equity	64686.31	56612.17
Total equity (B)	**64686.31**	**56612.17**
Total debt to total equity ratio (A/B)	**0.60**	**0.12**

47 Expenditure incurred on research and development

Revenue expenditure debited to respective heads of account includes expenditure incurred on Research and Development during the year amounting to ₹ 357.83 lacs (31 March 2018: ₹ 329.87 lacs) and assets/ equipment purchased for research activities of ₹ 108.61 lacs (31 March 2018: ₹ 79.00 lacs) disclosed under Property, plant and equipment.

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48 Expenditure during construction period (included in capital work-in-progress)

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Balance brought forward	159.08	-
Expenditure incurred during the year		
Cost of material consumed	0.83	165.68
Employee benefits expense	11.36	55.73
Consumption of stores and spares	0.13	35.81
Power and fuel	13.50	37.87
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	-	6.26
Others	-	32.15
Rent	1.45	1.78
Rates and taxes	13.18	1.10
Insurance	2.02	5.29
Professional, consultancy and legal expenses	33.11	32.23
Travelling and conveyance	28.67	32.32
Carriage outwards	-	13.91
Miscellaneous expenses	17.87	29.43
Total expenditure during construction period	**122.12**	**449.56**
Less: Turnover	-	75.57
Less: Stocks of finished goods out of trial run production	-	168.94
Total	**281.20**	**205.05**
Allocated to property, plant and equipment	244.89	45.97
Balance carried forward	36.31	159.08

49 Disclosures pertaining to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

a) The Company has made investment in the following Companies:

(₹ in lacs)

Entity	As at 31 March 2018	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2019
Investment in equity instruments					
HIL International GmbH, Germany	-	27346.24	-	-	27346.24
Supercor Industries Limited, Nigeria	142.60	-	-	142.60	-

b) The Company has given unsecured interest bearing loans to its following subsidiary:

(₹ in lacs)

Entity	As at 31 March 2018	Given during the year	Repaid during the year	As at 31 March 2019*	Maximum balance outstanding during the year
HIL International GmbH, Germany	-	15973.42	-	15536.00	15973.42

*Restated at the closing conversion rate as the loan was given in foreign currency.

The above loan given to HIL International GmbH, Germany was for the purpose of financing further acquisition of 100% shareholding of Parador Holding GmbH, Germany. The loan is repayable in four equal yearly instalments starting 16 August 2026.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

50 The Company has entered into transactions amounting to ₹ 439.70 lacs (31 March 2018: ₹ 377.65 lacs) during the year ended 31 March 2019 and having outstanding payable balance amounting to ₹ 18.50 lacs as at 31 March 2019 (31 March 2018: ₹ 71.89 lacs) with CK Birla Corporate Services Limited. As the Company and CK Birla Corporate Services Limited use the same 'CK Birla' brand and are disclosed as being part of the same 'group' on the website operated by CK Birla Corporate Services Limited, from a good governance perspective the transaction and outstanding payable balances are disclosed in the standalone Ind AS financial statements.

51 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

52 Change in significant accounting policies:

Ind AS 115 has impact on customer loyalty programme. Under Ind AS 18, revenue was allocated between the loyalty programme and the Company's products using the residual value method i.e., consideration was allocated to the loyalty programme based on the fair value of the loyalty points and the remainder of the consideration was allocated to the Company's products. Under Ind AS 115, this allocation is based on the relative stand-alone selling prices. Accordingly, a lower proportion of the consideration is allocated to the loyalty programme, and therefore less revenue is deferred. The impact of these changes on items other than revenue is that revenue which was presented as deferred income earlier is now included, at a lower amount, in a new balance – i.e. contract liability against performance obligation.

For additional information about the Company's accounting policies relating to revenue recognition, see note 3(i).

The following table summarises the impact, net of tax, of transition to Ind AS 115 on retained earnings (cumulative effect) as on 01 April 2018.

(₹ in lacs)

Particulars	Note	Impact of adopting Ind AS 115 at 01 April 2018
Retained earnings		
Customer loyalty programme		192.89
Related tax	32	(67.40)
Impact at 01 April 2018	16(v)	125.49

The following tables summarise the impacts of adopting Ind AS 115 on the Company's standalone statement of financial position as at 31 March 2019 and its standalone statement of profit and loss and OCI for the year then ended for each of the line items affected. There was no material impact on the Company's standalone statement of cash flows for the year ended 31 March 2019.

Impact on the standalone statement of financial position as on 31 March 2019

(₹ in lacs)

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Total Assets	**145294.86**	**-**	**145294.86**
Equity			
Retained earnings	22941.62	(149.91)	22791.71
Others	41744.69	-	41744.69
Total equity	**64686.31**	**(149.91)**	**64536.40**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

Impact on the standalone statement of financial position as on 31 March 2019 (Continued)

(₹ in lacs)

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Liability			
Deferred tax liabilities (net)	4802.87	(80.52)	4722.35
Deferred income	-	1526.56	1526.56
Contract liabilities against performance obligation	1296.13	(1296.13)	-
Others	74509.55	-	74509.55
Total liabilities	**80608.55**	**149.91**	**80758.46**
Total equity and liabilities	**145294.86**	**-**	**145294.86**

Impact on the standalone statement of profit and loss and OCI for the year ended 31 March 2019

(₹ in lacs)

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Revenue from operations	148193.76	(37.54)	148156.22
Other income	3177.33	-	3177.33
Total revenue	**151371.09**	**(37.54)**	**151333.55**
Total expenses	135360.14	-	135360.14
Net profit before tax	**16010.95**	**(37.54)**	**15973.41**
Tax expense	(5858.71)	13.12	(5845.59)
Other comprehensive income for the period	(60.25)	-	(60.25)
Total comprehensive income for the period	**10091.99**	**(24.42)**	**10067.57**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

53 Financial instruments - fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2019

(₹ in lacs)

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets- amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	734.38	-	-	-	734.38	-	734.38	-	734.38
Investments in equity instruments	7	-	46.40	-	-	46.40	-	-	46.40	46.40
		734.38	**46.40**	**-**	**-**	**780.78**	**-**	**734.38**	**46.40**	**780.78**
Financial assets not measured at fair value										
Trade receivables	8	-	-	11514.26	-	11514.26				
Loans	9	-	-	16471.42	-	16471.42				
Other financial assets	10	-	-	800.13	-	800.13				
Cash and cash equivalents	13	-	-	777.58	-	777.58				
Other bank balances	14	-	-	275.97	-	275.97				
		-	**-**	**29839.36**	**-**	**29839.36**				
Financial liabilities measured at fair value										
Derivative liabilities	19	85.93	-	-	-	85.93	-	85.93	-	85.93
		85.93	**-**	**-**	**-**	**85.93**	**-**	**85.93**	**-**	**85.93**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	34672.63	34672.63				
Trade payables	18	-	-	-	22340.02	22340.02				
Other financial liabilities	19	-	-	-	10689.23	10689.23				
		-	**-**	**-**	**67701.88**	**67701.88**				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

53 Financial instruments - fair values and risk management (Continued)

A. Accounting classifications and fair values (Continued)

31 March 2018

(₹ in lacs)

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets- amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	4.09	-	-	-	4.09	-	4.09	-	4.09
Investments in mutual funds	7	12059.19	-	-	-	12059.19	12059.19	-	-	12059.19
Investments in equity instruments	7	-	37.00	-	-	37.00	-	-	37.00	37.00
		12063.28	**37.00**	**-**	**-**	**12100.28**	**12059.19**	**4.09**	**37.00**	**12100.28**
Financial assets not measured at fair value										
Trade receivables	8	-	-	9974.90	-	9974.90				
Loans	9	-	-	880.26	-	880.26				
Other financial assets	10	-	-	254.56	-	254.56				
Cash and cash equivalents	13	-	-	1094.24	-	1094.24				
Other bank balances	14	-	-	283.86	-	283.86				
		-	**-**	**12487.82**	**-**	**12487.82**				
Financial liabilities measured at fair value										
Derivative liabilities	19	-	-	-	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	6646.91	6646.91				
Trade payables	18	-	-	-	19630.49	19630.49				
Other financial liabilities	19	-	-	-	6086.46	6086.46				
		-	**-**	**-**	**32363.86**	**32363.86**				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

53 Financial instruments - fair values and risk management (Continued)

B. Measurement of fair values

i. Valuation techinque and significant unobservable inputs

Derivative assets/ liabilities: The fair value is determined using forward exchange rates at the reporting date.

Investment in equity instruments: The fair value is determined based on the average of value determined as per discounted cash flows approach and intrinsic value per share as on the reporting date.

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2018-19 and no transfers in either direction in 2017-18.

iii. Level 3 fair values

(₹ in lacs)

Particulars	FVOCI Equity securities
Balance at 01 April 2017	33.50
Net change in fair value (unrealised)	3.50
Balance at 31 March 2018	**37.00**
Balance at 01 April 2018	37.00
Net change in fair value (unrealised)	9.40
Balance at 31 March 2019	**46.40**

Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

(₹ in lacs)

Particulars	OCI, net of tax	
	Increase	Decrease
2018-19		
Annual growth rate (2.5% movement)	16.34	(8.17)
2017-18		
Annual growth rate (2.5% movement)	10.04	(5.27)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

a) Liquidity risk

b) Market risk

c) Credit risk

i) Risk management framework

The Company’s Board of Directors has overall responsibility for the estabilishment and deployment of risk management framework. The Board of Directors has adopted a Risk Policy, which empowers the managment to access and monitoring the risk managment parameters along with action taken and the same is updated to Board of Directors.

The Company's risk management policies are estabilished to identify and analyse the risks being faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and managment standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

53 Financial instruments - fair values and risk management (Continued)

C. Financial risk management (Continued)

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framwork in relation to the risk faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk managment controls and procedures, the result of which are reported to the audit committee.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

31 March 2019

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	6368.82	6875.62	1527.46	-	3992.35	1355.81
Sales tax deferment loan - unsecured	346.85	346.86	56.65	64.89	225.32	-
Term loan from bank	27294.11	34359.96	4958.80	7433.35	19425.20	2542.61
Working capital loan	5006.96	5006.96	5006.96	-	-	-
Trade payables	22340.02	22340.02	22340.02	-	-	-
Interest accrued	202.79	202.79	202.79	-	-	-
Capital creditors	465.29	465.29	465.29	-	-	-
Unpaid dividend	91.86	91.86	17.87	11.50	36.94	25.55
Security deposits	4812.49	4812.49	4812.49	-	-	-
Other financial liabilities	772.69	772.69	772.69	-	-	-
	67701.88	**75274.54**	**40161.02**	**7509.74**	**23679.81**	**3923.97**
Derivative financial liabilities						
Derivative liabilities	85.93	85.93	85.93	-	-	-
	85.93	**85.93**	**85.93**	**-**	**-**	**-**

31 March 2018

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	6300.06	6875.62	-	1527.46	3992.35	1355.81
Sales tax deferment loan - unsecured	377.19	377.19	30.34	56.65	285.22	4.98
Trade payables	19630.49	19630.49	19630.49	-	-	-
Capital creditors	487.58	487.58	487.58	-	-	-
Unpaid dividend	91.65	91.65	11.65	15.25	33.66	31.09
Security deposits	4737.99	4737.99	4737.99	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

53 Financial instruments - fair values and risk management (Continued)

C. Financial risk management (Continued)

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 Years	2-5 Years	More than 5 years
Other financial liabilities	738.90	738.9	738.90	-	-	-
	32363.86	**32939.42**	**25636.95**	**1599.36**	**4311.23**	**1391.88**
Derivative financial liabilities						
Derivative liabilities	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

iii) Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage market risks.

a) *Foreign currency risk*

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Company is INR (₹). The currencies in which these transactions are primarily denominated is US dollars and Euros. The Company does not enter into any derivative instruments for trading or speculative purposes.

Currency risks related to the principal amounts of the Company's US dollar trade payables and EURO loan receivables have been partially hedged using forward contracts that mature on or before the same dates as the payables and receivables are due for repayment. These contracts are designated as derivatives.

Generally, borrowings are denominated in currencies that matter the cash flows generated by the underlying operations of the Company. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary of data about the Company's exposure to unhedged currency risk (based on notional amounts) as reported to the management is as follows.

Particulars	31 March 2019				31 March 2018		
	Currency	Value in foreign currency	Exchange rate	Amount ₹ in lacs	Value in foreign currency	Exchange rate	Amount ₹ in lacs
Trade payables	US$	(363450)	69.16	(251.35)	(9326289)	65.18	(6078.88)
	EUR	(6870)	77.68	(5.34)	-	-	-
Trade receivables	US$	5740	69.16	3.97	51798	65.18	33.76
Loan to subsidiaries	EUR	8750000	77.68	6797.00	-	-	-
Interest accrued on loan to subsidiaries	EUR	624658	77.68	485.23	-	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2019

53 Financial instruments - fair values and risk management (Continued)

C. Financial risk management (Continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR (₹), US dollar or Euro against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in lacs)

Particulars		Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2019					
(1% movement)	US$	(2.47)	2.47	(1.61)	1.61
	EUR	72.77	(72.77)	47.34	(47.34)
31 March 2018					
(1% movement)	US$	(60.45)	60.45	(39.53)	39.53

b) *Interest rate risk*

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Variable rate borrowings including current maturities	32301.07	-
Total borrowings	**32301.07**	**-**

Sensitivity

(₹ in lacs)

Particulars	Impact on profit and loss	
	31 March 2019	31 March 2018
1% increase in interest rate	(323.01)	-
1% decrease in interest rate	323.01	-

The interest rate sensitivity is based on the closing balance of term loans from banks.

iv) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended 31 March 2019

53 Financial instruments - fair values and risk management (Continued)

Trade receivables :

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

(₹ in lacs)

Trade receivables	< 180days	>180 days	Provision	Total
31 March 2019	11512.15	1325.07	(1322.96)	11514.26
31 March 2018	9972.83	1316.23	(1314.16)	9974.90

The movement in the allowance for impairment in respect of trade receivables is as follows:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Balance as at 01 April	1314.16	1513.06
Amounts written off	(162.41)	-
Net remeasurement of loss allowance	171.21	(198.90)
Balance as at 31 March	1322.96	1314.16

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272

Place: New Delhi
Date: 27 May 2019

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and
Financial Controller

Place: New Delhi
Date: 27 May 2019

CONSOLIDATED

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of HIL Limited

Report on the Audit of Consolidated Ind AS Financial Statements

Opinion

We have audited the consolidated Ind AS financial statements of HIL Limited (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for business combination

See note 3(a)(i) and note 52 to the consolidated Ind AS financial statements

The key audit matter	How the matter was addressed in our audit
On 27 August 2018, the Group acquired 100% stake in M/s Parador Holdings GmbH ("Parador"), Germany for ₹ 43,807 lacs. Management engaged an independent valuer to determine the fair values of the acquired net assets, identifying and valuing previously unrecognised intangible assets. There is a risk that acquisition accounting for an acquisition made in the current year may not have been correctly applied. Specifically, there is potential risk that incorrect judgments may have been made which could result in inaccurate allocation of values to acquired assets including intangibles.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: - We obtained the purchase price allocation report to assess the fair value allocated to the net assets acquired including the identified intangible assets and resultant goodwill; - We tested the Management's estimates and judgment on the cash flow projections used in arriving at the fair value of intangible assets recognised and resultant Goodwill; - We involved valuation specialists to assess the reasonableness of valuation methodologies and discount rate; - We evaluated the competence and independence of the third party valuer by reference to their qualifications and experience; and - We evaluated the appropriateness of the accounting of business acquisition and disclosures in the consolidated Ind AS financial statements as per Ind AS 103 "Business Combinations".

Independent Auditors' Report on the Audit of the consolidated Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019 (continued)

Impairment test of goodwill and intangible asset with indefinite useful life

See note 3(e) and note 6 to the consolidated Ind AS financial statements

The key audit matter	How the matter was addressed in our audit
The Group carried goodwill of ₹ 11,720 lacs and brand of ₹ 5,748 lacs. Management performs an impairment review of Goodwill and intangible asset with indefinite useful life under Ind AS 36 "Impairment of Assets" on an annual basis and whenever an indication of impairment exists. In testing the carrying value for impairment, Management has made a number of key assumptions, such as growth rates, discount rates and forecasted cash flows. There is a risk that judgment used in these assumption may be inappropriate.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We have involved valuation specialist to assist in assessing the appropriateness of the valuation techniques used and discount rates applied, which included benchmarking the weighted average cost of capital with other companies in the industry; • We assessed the reasonableness of forecast inputs, growth assumptions by comparing against the historical trends to assess the reliability of management's forecast; • We have performed sensitivity analysis; and • We have evaluated the adequacy of the consolidated Ind AS financial statement disclosures in accordance with requirements of Ind AS 36 "Impairment of Assets".

Revenue recognition

See note 3(j) and note 22 to the consolidated Ind AS financial statements

The key audit matter	How the matter was addressed in our audit
The Group's revenue is principally derived from sale of products of roofing solutions, building solutions, polymer solutions, flooring solutions and others. We identified revenue recognition as a key audit matter because the Group and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be recognised before control has been transferred.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We assessed the appropriateness of the revenue recognition accounting policies by comparing them with applicable accounting standards; • We evaluated the design of controls and operating effectiveness of the relevant controls with respect to revenue recognition; • We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents; • We tested manual journal entries posted to revenue to identify unusual items; • We carried out year on year product wise variance analysis on revenue recognised during the year to identify unusual variances; • We obtained external confirmations of debtors' outstanding balance as at the financial year end date, selected on a sample basis, directly from customers; and • We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.

Independent Auditors' Report on the Audit of the consolidated Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019 (continued)

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Management and Board of Directors of the Companies included in the Group and of its joint ventures are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its joint ventures is responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a 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. Misstatements 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 these consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, 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, misrepresentations, 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 on whether the Company has adequate internal financial controls 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 Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparation of consolidated Ind AS financial statements and, based

Independent Auditors' Report on the Audit of the consolidated Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019 (continued)

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated Ind AS financial statements 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 Group (Company and subsidiaries) as well as joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated Ind AS financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entity included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of four subsidiaries, whose financial information reflect total assets of ₹ 94,288 lacs as at 31 March 2019, total revenues of ₹ 72,735 lacs and net cash flows amounting to ₹ 2,560 lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

(b) The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 27 lacs for the year ended 31 March 2019, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial information have not been audited by us or by other auditors. This unaudited financial information have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of Section 143(3) of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial information. In our opinion and according to

Independent Auditors' Report on the Audit of the consolidated Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019 (continued)

the information and explanations given to us by the Management, the financial information of the aforesaid joint venture is not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its joint venture. Refer Note 37(A) to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Note 50 to the consolidated Ind AS financial statements.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019.

iv. The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated Ind AS financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: New Delhi
Date: 27 May 2019

Annexure A

to the Independent Auditors' report on the consolidated Ind AS Financial Statements of HIL Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated Ind AS financial statements of HIL Limited under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of HIL Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated Ind AS financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The Holding Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated Ind AS financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated Ind AS financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated Ind AS financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Ind AS Financial Statements

A Company's internal financial controls with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No.: 116231W/ W-100024

Vikash Somani
Partner
Membership No. 061272

Place: New Delhi
Date: 27 May 2019

CONSOLIDATED BALANCE SHEET

as at 31 March 2019

(₹ in lacs)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	84823.69	44972.24
(b) Capital work-in-progress		3240.68	4903.05
(c) Investment property	5	2070.31	2100.68
(d) Goodwill	6	11720.06	-
(e) Other intangible assets	6	9457.83	2128.76
(f) Equity accounted investees	44	34.40	-
(g) Financial assets			
(i) Investments	7	46.75	37.00
(ii) Trade receivables	8	8.23	9.23
(iii) Loans	9	935.42	880.26
(iv) Other financial assets	10	926.11	180.42
(h) Non-current tax assets (net)		1671.41	512.20
(i) Other non-current assets	11	1830.24	1545.50
Total non-current assets		**116765.13**	**57269.34**
Current assets			
(a) Inventories	12	49411.24	18506.36
(b) Financial assets			
(i) Investments	7	-	12059.19
(ii) Trade receivables	8	13907.59	9965.67
(iii) Cash and cash equivalents	13	6415.69	1094.24
(iv) Bank balances other than (iii) above	14	275.97	283.86
(v) Other financial assets	10	6356.64	78.23
(c) Other current assets	11	4336.37	2612.57
Total current assets		**80703.50**	**44600.12**
TOTAL ASSETS		**197468.63**	**101869.46**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	749.85	748.98
(b) Other equity	16	62968.94	55863.19
Equity attributable to the owners of the Company		**63718.79**	**56612.17**
Non-controlling interest		-	-
Total equity		**63718.79**	**56612.17**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	51914.44	6646.91
(b) Provisions	20	2945.59	587.82
(c) Deferred tax liabilities (net)	32	12058.96	3952.69
(d) Other non-current liabilities	21	366.37	450.49
Total non-current liabilities		**67285.36**	**11637.91**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	8126.20	-
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18	966.78	898.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	32559.00	18732.44
(iii) Other financial liabilities	19	14177.14	6086.46
(b) Other current liabilities	21	7106.96	5714.49
(c) Provisions	20	2105.55	944.90
(d) Current tax liabilities (net)		1422.85	1243.04
Total current liabilities		**66464.48**	**33619.38**
TOTAL EQUITY AND LIABILITIES		**197468.63**	**101869.46**
Summary of significant accounting policies	3		

See accompanying notes to the consolidated financial statements

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272

Place: New Delhi
Date: 27 May 2019

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and
Financial Controller

Place: New Delhi
Date: 27 May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

(₹ in lacs)

Particulars		Notes	Year ended 31 March 2019	Year ended 31 March 2018
I	INCOME			
	Revenue from operations	22	220802.43	132617.14
	Other income	23	2674.89	2250.93
	TOTAL INCOME (I)		223477.32	134868.07
II	EXPENSES			
	Cost of materials consumed	24	103984.79	56438.86
	Purchases of stock-in-trade	25	6780.15	3729.70
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(1208.83)	2979.56
	Excise duty		-	4643.95
	Employee benefits expense	27	25110.75	10430.09
	Finance costs	28	2515.83	386.71
	Depreciation and amortisation expenses	29	6856.12	4690.04
	Other expenses	30	60642.10	39578.49
	TOTAL EXPENSES (II)		204680.91	122877.40
III	Profit before exceptional items, share of loss of equity accounted investees and tax (I-II)		18796.41	11990.67
IV	Exceptional items	52 (B)	2115.73	-
V	Profit before share of loss of equity accounted investees and tax (III-IV)		16680.68	11990.67
VI	Share of loss of equity accounted investees (net of tax)	44	27.20	-
VII	Profit before tax (V-VI)		16653.48	11990.67
VIII	Tax expense:			
	Current tax	32	5620.74	4470.51
	Income-tax for earlier years	32	62.69	-
	Deferred tax	32	830.25	(555.33)
IX	Profit for the year (VII-VIII)		10139.80	8075.49
X	Other comprehensive income			
	Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of defined benefit (liability)/ asset		(159.68)	(91.30)
	Income-tax relating to above item		51.45	31.60
			(108.23)	(59.70)
	(b) Equity investments through other comprehensive income- net change in fair value		9.40	3.50
	Income-tax relating to above item		(2.19)	(1.21)
			7.21	2.29
	Items that will be reclassified subsequently to profit or loss			
	(a) Exchange difference in translating financial statements of foreign operations		(914.31)	-
			(914.31)	-
	Other comprehensive income for the year, net of income-tax		(1015.33)	(57.41)
XI	Total comprehensive income for the year (IX + X)		9124.47	8018.08
XII	Profit attributable to:			
	Owners of the Company		10139.80	8075.49
	Non-controlling interests		-	-
	Profit for the year		10139.80	8075.49
XIII	Other comprehensive income attributable to:			
	Owners of the Company		(1015.33)	(57.41)
	Non-controlling interests		-	-
	Other comprehensive income for the year		(1015.33)	(57.41)
XIV	Total comprehensive income attributable to:			
	Owners of the Company		9124.47	8018.08
	Non-controlling interests		-	-
	Total comprehensive income for the year		9124.47	8018.08
XV	Earnings per equity share (par value of ₹ 10 each)	35		
	Basic (in ₹)		135.78	108.21
	Diluted (in ₹)		135.34	108.01
Summary of significant accounting policies		3		

See accompanying notes to the consolidated financial statements

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272

Place: New Delhi
Date: 27 May 2019

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and
Financial Controller

Place: New Delhi
Date: 27 May 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A Cash flows from operating activities		
Profit for the year (before tax)	16653.48	11990.67
Adjustments for:		
Depreciation and amortisation expense	6856.12	4690.04
Rental income from investment property	(623.59)	(616.74)
Provision for impairment of receivables, advances and other assets, net	(44.27)	(186.37)
Liabilities no longer required written back	(764.02)	(112.58)
Provision for diminution in value of investments	-	142.60
Net gain on sale of property, plant and equipment	(605.54)	(854.39)
Foreign exchange fluctuations, net	390.99	(31.80)
Share of profit of equity accounted investee	(27.20)	-
Financial assets measured at FVTPL-net change in fair value	(638.14)	(4.09)
Net gain on sale of investments	(415.16)	(76.65)
Employee stock compensation expense	52.67	38.36
Finance costs	2515.83	386.71
Interest income	(105.24)	(66.97)
Government grant	(84.55)	(56.36)
Dividend income	(62.80)	(441.01)
Operating profit before changes in assets and liabilities	**23098.58**	**14801.42**
Changes in assets and liabilities:		
Decrease in inventories	1121.71	2114.09
Decrease/ (Increase) in trade receivables and loans	1830.84	(1253.86)
(Increase)/ decrease in other financial assets	(6239.04)	62.74
Increase in other assets	(1818.83)	(458.19)
Increase in trade payables	2726.23	6086.95
Decrease in other financial liabilities	(5443.34)	(26.96)
Increase in provisions	3358.74	730.75
Increase in other current liabilities	1978.96	344.91
Cash generated from operating activities	**20613.85**	**22401.85**
Income-tax paid (net of refund)	(7150.16)	(3664.11)
Net cash from operating activities (A)	**13463.69**	**18737.74**
B Cash flows from investing activities		
Acquisition of property, plant and equipment	(7632.62)	(8070.26)
Proceeds from sale of property, plant and equipment	660.84	986.00
Acquisition of subsidiary, net of cash and cash equivalents acquired	(40729.26)	-
Proceeds from sale of mutual funds	35966.80	3576.65
Purchase of mutual funds	(23500.00)	(13752.32)
Interest received	83.12	34.87
Dividends received	62.80	441.01
Bank balances not considered as cash and cash equivalents	(15.77)	(356.42)
Rent received from long-term investment in properties	623.59	616.74
Net cash used in investing activities (B)	**(34480.50)**	**(16523.73)**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
C Cash flows from financing activities*		
Repayment of long-term borrowings	(21715.12)	(1086.85)
Receipts of long-term borrowings	44689.60	1328.69
Proceeds/ (repayments) from short-term borrowings (net)	8126.20	(210.26)
Finance costs	(2306.78)	(263.73)
Proceeds from issue of share capital	54.44	-
Dividend paid on equity shares	(1866.53)	(1490.73)
Tax on equity dividend paid	(383.71)	(303.84)
Net cash from/ (used in) financing activities (C)	**26598.10**	**(2026.72)**
Net increase in cash and cash equivalents (A+B+C)	**5581.29**	**187.29**
Cash and cash equivalents at the beginning of the year	1094.24	906.95
Effect of changes in foregin currency fluctuation on cash and cash equivalents	(259.84)	-
Cash and cash equivalents at the end of the year	**6415.69**	**1094.24**

* Changes in liabilities arising from financing activities:

(₹ in lacs)

Particulars	As at 01 April 2018	Cash flow changes	Non-cash changes	As at 31 March 2019
Long-term borrowings	6677.25	52421.42	(356.39)	58742.28
Short-term borrowings	-	8126.20	-	8126.20

Note:

a) The above consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

b) Cash and cash equivalents comprises of:

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks:		
- in current accounts	6392.83	1091.28
Cheques, draft on hand	16.46	-
Cash on hand	6.40	2.96
Cash and cash equivalents as per balance sheet	**6415.69**	**1094.24**

Summary of significant accounting policies (refer note 3)

See accompanying notes to the consolidated financial statements

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Vikash Somani
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Chief Financial Officer

G Manikandan
Company Secretary and
Financial Controller

Place: New Delhi
Date: 27 May 2019

Place: New Delhi
Date: 27 May 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

a. Equity share capital

(₹ in lacs)

Particulars	Amount
Balance as at 01 April 2017	748.98
Changes in equity share capital during 2017-18	-
Balance as at 31 March 2018	**748.98**
Balance as at 01 April 2018	748.98
Changes in equity share capital during 2018-19	0.87
Balance as at 31 March 2019	**749.85**

b. Other equity

(₹ in lacs)

Particulars	Reserves and surplus					Items of OCI		Total
	Retained earnings	Securities premium	General reserve	Capital redemption reserve	Shares options outstanding account	Equity investments through OCI	Exchange differences on translation of foreign operations	
Balance at 31 March 2017	**10762.37**	**624.95**	**38100.00**	**35.00**	**55.63**	**25.16**	**-**	**49603.11**
Total comprehensive income for the year ended 31 March 2018								
Profit for the year	8075.49	-	-	-	-	-	-	8075.49
Share based payment (refer note 41)	-	-	-	-	38.36	-	-	38.36
Other comprehensive income (net of tax)	(59.70)	-	-	-	-	2.29	-	(57.41)
Total comprehensive income	**8015.79**	**-**	**-**	**-**	**38.36**	**2.29**	**-**	**8056.44**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-	-
Dividend	(1492.52)	-	-	-	-	-	-	(1492.52)
Corporate dividend tax	(303.84)	-	-	-	-	-	-	(303.84)
Balance at 31 March 2018	**15981.80**	**624.95**	**39100.00**	**35.00**	**93.99**	**27.45**	**-**	**55863.19**
Balance at 01 April 2018	**15981.80**	**624.95**	**39100.00**	**35.00**	**93.99**	**27.45**	**-**	**55863.19**
Total comprehensive income for the year ended 31 March 2019								
Profit for the year	10139.80	-	-	-	-	-	-	10139.80
Adjustment on initial application of Ind AS 115, net of tax	125.49	-	-	-	-	-	-	125.49
Share based payment, net of reversal (refer note 41)	-	-	-	-	52.67	-	-	52.67

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2019

b. Other equity (Continued)

(₹ in lacs)

Particulars	Reserves and surplus					Items of OCI		Total
	Retained earnings	Securities premium	General reserve	Capital redemption reserve	Shares options outstanding account	Equity investments through OCI	Exchange differences on translation of foreign operations	
Other comprehensive income (net of tax)	(108.23)	-	-	-	-	7.21	(914.31)	(1015.33)
Total comprehensive income	**10157.06**	**-**	**-**	**-**	**52.67**	**7.21**	**(914.31)**	**9302.63**
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-	-
Dividend	(1866.74)	-	-	-	-	-	-	(1866.74)
Corporate dividend tax	(383.71)	-	-	-	-	-	-	(383.71)
Share option exercised	-	83.57	-	-	(30.00)	-	-	53.57
Balance at 31 March 2019	**22888.41**	**708.52**	**40100.00**	**35.00**	**116.66**	**34.66**	**(914.31)**	**62968.94**

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

Vikash Somani
Partner
Membership No.: 061272

Place: New Delhi
Date: 27 May 2019

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and
Financial Controller

Place: New Delhi
Date: 27 May 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

1 Corporate information

HIL Limited (the "Company") is a Company domiciled in India, with its registered office situated at SLN Terminus, Gachibowli, Hyderabad -500032, Telangana. The Company has been incorporated under the provisions of Companies Act, 2013 and its equity shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as "the Group") and the Groups interest in joint ventures.

The following subsidiaries and joint ventures are considered in the consolidated financial statements of the Company.

Name of the Company	Country of incorporation	% of equity interest
Subsidiary		
HIL International GmbH	Germany	100%
Step down subsidiaries		
Parador Holding GmbH	Germany	100%
Parador GmbH	Germany	100%
Parador Parkettwerke GmbH	Austria	100%
Joint ventures		
Parador (Shanghai) Trading Co., Ltd.	China	50%

Note: In addition to above, the Company has a 33% equity interest in Supercor Industries Limited, Nigeria. The same has not been consolidated in these consolidated financial statements for the reasons described in Note 44(a).

This is the first year of presentation of consolidated financial statements, hence, the comparatives represents standalone numbers of the Company. Also refer Note 44(a).

The Group operations are broadly classified into Roofing Solutions, Building Solutions, Polymer Solutions, Flooring Solutions and Others.

Roofing Solutions consists of manufacturing, selling and distribution of Fiber Cement Sheets, Coloured Steel Sheets and Cement based Non-Asbestos Corrugated Sheets with manufacturing facilities located at Faridabad, Jasidih, Kondapalli, Wada, Sathariya and Balasore.

Building Solutions broadly classifies into Wet-Walling Solutions, Dry-Walling Solutions and Thermal Insulation, which includes manufacturing and distribution of Fly Ash Blocks, Smart Fix, Smart Plaster, Smart Bond, Panels and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar and Dharuhera.

Polymer Solutions consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty with manufacturing facilities located at Faridabad, Thimmapur, Golan and Jhajjar.

Flooring Solutions consists of Laminate, ClickBoard, Panels and Mouldings, Engineered, Resilient and Designer facilities located at Coesfeld, Germany and Gussing, Austria.

Others includes Material Handling and Processing Plant and Equipment with manufacturing facilities at Hyderabad, and revenue generated through Wind Turbine Generators situated in Gujarat, Tamil Nadu and Rajasthan.

2 Basis of preparation

A. Statement of compliance

a) These consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("the Act") and other relevant provision of the Act under the historical cost convention on an accrual and going concern basis except for certain financial instruments which are measured at fair values, notified under the Act and Rules prescribed thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b) The consolidated financial statements were authorised for issue by the Company's Board of Directors on 27 May 2019.

c) Details of the Group's accounting policies are included in note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lacs except share data or as otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgment

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 45 – leases: whether an arrangement contains a lease;

Note 45 – lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 6 – impairment test of goodwill and intangible asset with indefinite life: key assumptions used in discounted cash flow projection;

Note 11 – impairment test of non-financial assets;

Note 11 – determining the fair value less costs to sell off the non-current assets held for sale on the basis of significant observable inputs;

Note 20 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 34 – measurement of defined benefit obligations: key actuarial assumptions;

Note 52 – acquisition of subsidiary and non-controlling interests: fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed on acquisition date;

Note 54 – impairment of financial assets.

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 5 – investment property;

Note 11 – non-current assets held for sale;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

Note 41 – share based payment arrangements;

Note 52 – acquisition of subsidiaries;

Note 54 – financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated.

a. Basis of consolidation

i. Business combination

In accordance with Ind AS 103, *Business Combination*, the Group accounts for the business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see note 3(h)). Any gain on a bargain purchase is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

iv. Loss of control

When the Group loses control over the subsidiaries, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date of control is lost. Any resulting gain or loss is recognised in profit or loss.

v. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which joint control ceases.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

b. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into functional currency of the Group at the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

- foreign currency monetary items are translated in the functional currency at the exchange rate at the reporting date.
- non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
- non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.
- exchange differences are recognised in profit or loss in the period in which they arise, except exchange differences arising from the translation of the items which are recognised in OCI.

ii. Foreign operations

The assets and liabilities of foreign operations (subsidiaries and joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR (₹), the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR (₹) at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

The foreign currency translation differences in respect of foreign operations are recognised in OCI and accumulated in equity (as exchange differences on translation of foreign operations).

c. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its consolidated balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

iv. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Changes in the fair value of any derivative instrument are recognised immediately in the profit or loss and are included in other income or expenses.

d. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as capital advance in other non-current assets.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss.

Freehold land is not depreciated. Leasehold land and Leasehold improvements are amortised over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the management, which are equal to the life prescribed under the Schedule II of the Act, except for following assets mentioned below which are based on technical evaluation and past experience:

Plant and machinery: 4 years to 25 years as against 15 years

Certain buildings: 25 years as against 30 years

Certain moulds and dies: 6 / 9 years as against 8 years

Wind power generation plant: 25 years as against 22 years

Depreciation on Group's proportionate share in Fly Ash Handling System (capital expenditure not represented by asset owned by the Group but installed at vendor's location) is provided over its useful life of five years on straight line basis.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

e. Goodwill and other intangible assets

i. Recognition

Goodwill

For measurement of goodwill that arises on a business combination (see note 3(a)(i)). Subsequent measurement is at cost less any accumulated impairment losses.

Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

Other intangible assets

Other intangible assets including acquired by the Group in a business combination are initially measured at cost. Such intangible assets with definite lives, are subsequently measured at cost less accumulated amortisation and any

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accumulated impairment losses. Intangible asset with indefinite life, is not amortised and is tested for impairment annually.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Goodwill and intangible asset with indefinite life, is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Asset	Years
- Service concession arrangement	25
- Computer software	3-5
- Patents	7

The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the public for the use of the infrastructure to the end of the concession period.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

f. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Depreciation on investment property other than perpetual leasehold land is calculated on a straight-line basis based on the useful life estimated by the management, which is equal to life prescribed in Schedule II of the Act.

On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the profit or loss.

The fair values of investment property is disclosed in the notes. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

g. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a transaction moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

h. Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in consolidated balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share-based payment transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in 'Share options outstanding account' reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Group providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Group has no obligation, other than the contribution payable to the funds.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Group has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Group accounts for gratuity liability of its employees including contract workers on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Group, the recognised asset is limited to

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the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of actuarial valuation using the projected unit credit method.

j. **Revenue**

Revenue from contract with customers

The Group generates revenue from sale of goods or services and other operating avenues. Ind AS 115 *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced Ind AS 18 *Revenue*, Ind AS 11 *Construction Contracts*. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. The Group has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 April 2018) being included in retained earnings. Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18 *Revenue*.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by the nature of sale i.e. manufactured and traded goods, solutions i.e. roofing solutions, building solutions, polymer solutions, flooring solutions and others and geographic market. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

Contract balances

The Group classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment and unredeemable customer loyalty points as contract liability against performance obligation.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following details provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers including significant payment terms and the related revenue recognition policies.

a. Sale of products

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: The timing of transfer of control is driven by the individual terms of contracts. Invoices are usually payable within agreed credit terms. For customer loyalty programme refer note (b) below.

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(ii) Revenue recognition under Ind AS 115 (applicable from 01 April 2018): Revenue is recognised when a customer obtains control of the goods which is driven by the individual terms of contracts. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

(iii) Revenue recognition under Ind AS 18 (applicable before 01 April 2018): Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

b. Customer loyalty programmes

(i) Nature and timing of satisfaction of performance obligations including significant payment terms: Customers who purchases products may enter into Group's customer loyalty programme and earn credits. These credits are redeemed against the awards as per the terms of the programme.

(ii) Revenue recognition under Ind AS 115 (applicable from 01 April 2018): The Group allocates a portion of the consideration received to loyalty credits. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liability against performance obligation.

(iii) Revenue recognition under Ind AS 18 (applicable before 01 April 2018): For customer loyalty programmes, the fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is shown as contract liability and is recognised as revenue when the award credits are redeemed and the Group has fulfilled its obligations to supply the awards under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

c. Sale of services

Revenue from sale of services is recognised when it is measurable and it is probable that future economic benefits will flow to the entity in accordance with tariff provided in power purchase agreement.

d. Rental income

Rental income from investment property is recognised as part of revenue from operations in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

k. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

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However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income on a systematic basis.

m. Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's balance sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

n. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

o. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and continent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the consolidated financial statements in the period

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for the year ended 31 March 2019

in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

q. Earnings per share ("EPS")

Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

r. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

s. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

t. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated.

u. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

v. Recent accounting pronouncements

Standards issued but not effective on Balance Sheet date:

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard/ amendments are applicable to the Group with effect from 01 April 2019.

i. Ind AS 116, Leases

The Group is required to adopt Ind AS 116, *Leases* from 01 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, *Leases.*

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group plans to apply Ind AS 116 initially on 01 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 01 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 01 April 2019 and identified as leases in accordance with Ind AS 17.

The Group has initiated detail study to ascertain the impact, if any, on its consolidated financial statements due to adoption of Ind AS 116 and the same is not reasonably estimable at present.

ii. Other Amendments

The MCA has notified below amendments which are effective 01 April 2019:

- Appendix C to Ind AS 12, Income Taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on preliminary work, the Group does not expect these amendments to have any significant impact on its consolidated financial statements.

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4. Property, plant and equipment

(₹ in lacs)

Particulars	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and machinery (refer note (b) below)	Furniture and fittings	Office equipments	Vehicles	Total
A. Cost or Deemed cost (Gross carrying amount)									
As at 01 April 2017	2511.80	977.90	12725.07	0.63	33114.04	434.04	205.39	133.41	50102.28
Additions	-	-	291.77	-	2781.60	26.19	64.51	35.33	3199.40
Deletions	(2.96)	-	(85.31)	-	(443.62)	(0.01)	(1.34)	(5.12)	(538.36)
Reclassification to non-current assets held for sale	-	-	(6.49)	-	(346.33)	(2.08)	(1.51)	-	(356.41)
As at 31 March 2018	**2508.84**	**977.90**	**12925.04**	**0.63**	**35105.69**	**458.14**	**267.05**	**163.62**	**52406.91**
Acquisitions through business combination (refer note 52(C))	4400.89	-	15499.14	-	14099.34	-	1231.13	302.64	35533.14
Additions	-	-	1832.40	-	10662.40	48.12	313.54	63.61	12920.07
Deletions	-	-	(12.30)	-	(186.43)	(0.24)	(4.51)	(12.81)	(216.29)
Exchange differences on translation of foreign operations	(267.64)	-	(947.55)	-	(940.45)	-	(85.15)	(19.17)	(2259.96)
Reclassification from non-current assets held for sale	-	-	-	-	41.62	-	-	-	41.62
Reclassification to non-current assets held for sale	-	-	(5.41)	-	-	-	-	-	(5.41)
As at 31 March 2019	**6642.09**	**977.90**	**29291.32**	**0.63**	**58782.17**	**506.02**	**1722.06**	**497.89**	**98420.08**
B. Accumulated depreciation									
As at 01 April 2017	-	11.57	546.15	-	3086.66	53.31	59.80	30.66	3788.15
For the year ended 31 March 2018	-	11.52	600.68	0.51	3627.87	58.79	68.69	24.42	4392.48
Deletions	-	-	(1.89)	-	(400.81)	-	(0.22)	(3.83)	(406.75)
Reclassification to non-current assets held for sale	-	-	(0.49)	-	(335.39)	(2.01)	(1.32)	-	(339.21)
As at 31 March 2018	**-**	**23.09**	**1144.45**	**0.51**	**5978.33**	**110.09**	**126.95**	**51.25**	**7434.67**
For the year ended 31 March 2019	-	11.52	979.17	-	4993.62	58.49	270.65	73.12	6386.57
Deletions	-	-	(1.32)	-	(146.32)	(0.12)	(2.90)	(10.33)	(160.99)
Exchange differences on translation of foreign operations	-	-	(17.27)	-	(75.79)	-	(8.97)	(1.98)	(104.01)
Reclassification from non-current assets held for sale	-	-	-	-	40.78	-	-	-	40.78
Reclassification to non-current assets held for sale	-	-	(0.63)	-	-	-	-	-	(0.63)
As at 31 March 2019	**-**	**34.61**	**2104.40**	**0.51**	**10790.62**	**168.46**	**385.73**	**112.06**	**13596.39**
C. Net carrying amounts (A-B)									
As at 31 March 2018	**2508.84**	**954.81**	11780.59	0.12	29127.36	348.05	140.10	112.37	44972.24
As at 31 March 2019	**6642.09**	**943.29**	**27186.92**	**0.12**	**47991.55**	**337.56**	**1336.33**	**385.83**	**84823.69**

Note:

a) Pending settlement of dispute regarding external development charges with Haryana Urban Development Authority, Faridabad, Freehold Land of the value of ₹ 1.27 lacs (31 March 2018: ₹ 1.27 lacs) is pending for registration in the Group's name.

b) Depreciation for the year ended 31 March 2018 includes accelerated depreciation aggregating to ₹ 625.00 lacs charged on certain plant and machineries of Fibre Cement Sheets business of roofing solutions segment whose balance useful life as re-estimated by the Management is Nil.

c) Refer note 47 for details of assets held for Research and Development.

d) Refer note 17 for details of assets pledged against borrowings.

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for the year ended 31 March 2019

5 Investment property

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Reconciliation of carrying amount		
Cost or Deemed cost (Gross carrying amount)		
Opening balance	2212.00	2212.00
Additions	-	-
Closing balance	**2212.00**	**2212.00**
Accumulated depreciation		
Opening balance	111.32	58.59
Depreciation for the year	30.37	52.73
Closing balance	**141.69**	**111.32**
Net carrying amounts	**2070.31**	**2100.68**
Fair value	**7926.00**	**7284.00**

Information regarding income and expenditure of investment property:

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Rental income derived from investment properties	623.59	616.74
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	**623.59**	**616.74**
Less: Depreciation	30.37	52.73
Profit arising from investment properties before indirect expenses	**593.22**	**564.01**

B. Measurement of fair values

(i) Fair valuation hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of the investment property has been categorised as a level 3 fair value based on the inputs to the valuation technique used (see note 2(E)).

(ii) Valuation technique

The Group follows discounted cash flows technique. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants, if any. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

C. Investment property comprises

(i) The Group along with other co-owners, has developed a plot of land at 25 Barakhamba Road, New Delhi, where the Group's share is 15%. The registration of the said plot of the value of ₹ 427.60 lacs (31 March 2018: ₹ 427.60 lacs) in the name of the Group is pending.

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5 Investment property (Continued)

C. Investment property comprises (Continued)

(ii) The Group has given the investment properties located in New Delhi and Hyderabad on operating lease to some parties. Certain lease agreements are cancellable and some are non-cancellable in nature. There are no contingent rents in the lease agreements. The lease terms are mainly for 3-9 years and are renewable at the option of the lessee. There are no restrictions imposed by lease agreements. Although there are sub-lease rights given to the lessees, there are no sub-leases as on the reporting date.

D. Refer note 45 for details of minimum lease payments.

6 Other intangible assets

(₹ in lacs)

Reconciliation of carrying amount	Goodwill	Softwares	Brand	Patents	Service concession arrangements	Total
Cost or Deemed cost (Gross carrying amount)						
Balance at 01 April 2017	-	535.57	-	-	1997.94	2533.51
Additions	-	71.08	-	-	-	71.08
Deletions	-	-	-	-	-	-
Balance at 31 March 2018	**-**	**606.65**	**-**	**-**	**1997.94**	**2604.59**
Acquisitions through business combination (refer note 52(C))	12478.97	402.89	6120.54	1571.49	-	8094.92
Additions	-	159.46	-	-	-	159.46
Deletions	-	-	-	-	-	-
Exchange differences on translation of foreign operations	(758.91)	(27.78)	(372.22)	(95.57)	-	(495.57)
Balance at 31 March 2019	**11720.06**	**1141.22**	**5748.32**	**1475.92**	**1997.94**	**10363.40**
Accumulated amortisation						
Balance at 01 April 2017	-	124.32	-	-	106.68	231.00
Amortisation for the year	-	153.70	-	-	91.13	244.83
Deletions	-	-	-	-	-	-
Balance at 31 March 2018	**-**	**278.02**	**-**	**-**	**197.81**	**475.83**
Amortisation for the year	-	219.38	-	128.66	91.14	439.18
Deletions	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	(3.77)	-	(5.67)	-	(9.44)
Balance at 31 March 2019	**-**	**493.63**	**-**	**122.99**	**288.95**	**905.57**
Net carrying amounts						
As at 31 March 2018	-	328.63	-	-	1800.13	2128.76
As at 31 March 2019	**11720.06**	**647.59**	**5748.32**	**1352.93**	**1708.99**	**9457.83**

Impairment

See accounting policy in note 3(h).

Impairment testing for cash generating unit containing goodwill

The Group has identified its reportable segments Roofing Solutions, Building Solutions, Polymer Solutions and Flooring Solutions as the CGUs. For the purpose of impairment testing, goodwill is allocated to the Group's operating division which represents the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segment. The goodwill and brand (with indefinite life) acquired through business combination has been allocated to CGU "Flooring Solutions" segment of the Group. The carrying amount of goodwill and brand (with indefinite life) as at 31 March 2019 is ₹ 11720.06 lacs and ₹ 5748.32 lacs respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6 Other intangible assets (Continued)

Following key assumptions were considered while performing impairment testing:

Annual growth rate for 5 years	7%
Terminal value growth rate	2%
Budgeted EBITDA growth rate	10%
Weighted average cost of capital % (WACC) post tax	10%

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = Risk free return + (Market premium x Beta for the Company).

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for FY 2018-2019.

7 Investments

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Investment in equity instruments - unquoted at FVOCI (refer note (a) below)		
Birla Buildings Limited - 5000 equity shares of ₹ 10 each fully paid	46.40	37.00
(31 March 2018 : 5000 equity shares of ₹ 10 each fully paid)		
VR- Bank Westmünsterland eG - One share of Euro 450 each	0.35	-
(31 March 2018 : Nil)		
	46.75	**37.00**
Aggregate amount of unquoted non-current investments	46.75	37.00
Current		
Investments in mutual funds - quoted at FVTPL	-	12059.19
	-	**12059.19**
Aggregate book value of quoted current investments	-	12059.19
Aggregate market value of quoted current investments	-	12059.19

(a) Equity shares designated as at fair value through other comprehensive income

The Group designated the investments shown below as equity shares at FVOCI because these equity shares represent investments that the Group intends to hold long-term for strategic purposes.

(₹ in lacs)

Particulars	Investment in Birla Buildings Limited	
	As at 31 March 2019	As at 31 March 2018
Fair value at beginning of the year	37.00	33.50
Dividend income recognised during the respective year	0.50	0.38
Fair value at end of the year	46.40	37.00

No strategic investments were disposed of during 2018-19 and 2017-18, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

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8 Trade receivables

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Secured	8.23	9.23
Unsecured	464.37	483.44
	472.60	**492.67**
Less: Provision for impairment	(464.37)	(483.44)
	8.23	**9.23**
Current		
Secured	3056.10	1902.13
Unsecured	11899.85	8894.26
	14955.95	**10796.39**
Less: Provision for impairment	(1048.36)	(830.72)
	13907.59	**9965.67**

Refer note 17 for details of trade receivables pledged against borrowings.

9 Loans

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Security deposits		
Unsecured, considered good	935.42	880.26
Doubtful	25.00	25.00
	960.42	**905.26**
Less: Provision for impairment	(25.00)	(25.00)
	935.42	**880.26**

10 Other financial assets

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Unsecured, considered good		
Bank deposits due to mature after 12 months from the reporting date*	204.08	180.42
Derivative assets	722.03	-
	926.11	**180.42**
Doubtful		
Other receivables	644.68	649.58
	644.68	**649.58**
Less: Allowance for doubtful receivables	(644.68)	(649.58)
	-	-
	926.11	**180.42**

* It includes bank deposits held against bank guarantees amounting to ₹ 204.08 lacs (31 March 2018: ₹ 180.42 lacs).

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Unsecured, considered good		
Interest accrued on fixed deposits and security deposits	79.77	57.65
Derivative assets	12.35	4.09
Contract assets	27.54	12.93
Other receivables	6236.98	3.56
	6356.64	**78.23**
Doubtful		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivable	(9.01)	(9.01)
	-	-
	6356.64	**78.23**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

11 Other assets

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Unsecured, considered good		
Capital advances	1088.33	940.26
Advances other than capital advances		
Balance with government authorities	725.91	584.91
Prepayments	16.00	20.33
	1830.24	**1545.50**
Doubtful		
Advances other than capital advances		
Advance to suppliers	349.16	392.91
	349.16	**392.91**
Less: Allowance for doubtful advances	(349.16)	(392.91)
	-	-
	1830.24	**1545.50**
Current		
Unsecured, considered good		
Advances other than capital advances		
Advance to suppliers	1057.93	696.73
Advance to employees	108.97	61.01
Balance with government authorities	2961.22	1709.31
Prepayments	193.16	128.32
Others		
Non-current assets held for sale*	15.09	17.20
	4336.37	**2612.57**

* Management intended to sell plant and machinery of one of the manufacturing facility within the Roofing solution segment in October 2017 and certain buildings of unallocated segment in February 2019. Accordingly, that part of the facilities are presented as non-current assets held for sale. Efforts to sell the assets have started and sales are expected by next financial year.

12 Inventories

(Valued at lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
i) In hand		
Raw materials	21984.51	6709.75
Work-in-progress	4525.11	347.47
Finished goods	19834.91	9755.24
Stock-in-trade	532.79	174.71
Stores and spares	887.08	808.69
	47764.40	**17795.86**
ii) In transit		
Raw materials	1646.84	710.50
	49411.24	**18506.36**

The write down of inventories to net realisable value during the year amounted to ₹ 47.34 lacs (31 March 2018: ₹ 155.38). The write down are included in changes in inventories of finished goods and work-in-progress.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

13 Cash and cash equivalents

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	6.40	2.96
Balances with banks		
- In current accounts	6392.83	1091.28
Cheques, drafts on hand	16.46	-
	6415.69	1094.24

14 Other bank balances

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unpaid dividend accounts	91.86	91.65
Deposits with remaining maturity of less than 12 months *	184.11	192.21
	275.97	283.86

* It includes bank deposits held against bank guarantees amounting to ₹ 184.11 lacs (31 March 2018: ₹ 192.21 lacs).

15 Share capital

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised share capital		
9500000 (31 March 2018: 9500000) equity shares of ₹ 10 each	950.00	950.00
50000 (31 March 2018: 50000) preference shares of ₹ 100 each	50.00	50.00
	1000.00	1000.00
Issued, subscribed and fully paid up capital		
7471343 (31 March 2018: 7462563) equity shares of ₹ 10 each fully paid-up	747.13	746.26
Forfeited shares (amount originally paid-up)	2.72	2.72
	749.85	748.98

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	31 March 2019		31 March 2018	
	Number of shares	Amount ₹ in Lacs	Number of shares	Amount ₹ in Lacs
Shares outstanding at the beginning of the year	7462563	746.26	7462563	746.26
Shares issued on exercise of Employee Stock Option Scheme (refer note 41)	8780	0.87	-	-
Shares outstanding at the end of the year	7471343	747.13	7462563	746.26

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a face value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

15 Share capital (Continued)

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Particulars of shareholders holding more than 5% of total number of equity shares

Equity shares of ₹ 10 each, fully paid-up	31 March 2019		31 March 2018	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	1074634	14.38	1074634	14.40
Orient Paper and Industries Limited	906360	12.13	906360	12.15

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both legal and beneficial ownerships of shares.

(iv) Shares reserved for issue under Option

For details of shares reserved for issue under Employee Stock Option Scheme of the Company, refer note 41.

16 Other equity

(A) Reserves and surplus

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Securities premium		
Balance at the commencement of the year	624.95	624.95
Add: Additions during the year	83.57	-
	708.52	**624.95**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(ii) General reserve		
Balance at the commencement of the year	39100.00	38100.00
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss	1000.00	1000.00
	40100.00	**39100.00**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

16 Other equity (Continued)

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(iii) Capital redemption reserve		
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	35.00	**35.00**

Capital redemption reserve was created for redemption of preference shares and the balance represents the unutilised amount after complete redemption of the same.

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(iv) Share options outstanding account		
Balance at the commencement of the year	93.99	55.63
Less: Shares exercised during the period	(30.00)	-
Add: Share based payment expenses (refer note 27)	52.67	38.36
	116.66	**93.99**

The Group has established an equity-settled share-based payment plan for certain categories of employees of the Group. Refer note 41 for further details on this plan.

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
(v) Retained earnings		
Balance at the commencement of the year	15981.80	10762.37
Add: Adjustment on initial application of Ind AS 115, net of tax	125.49	-
Add: Profit for the year	10139.80	8075.49
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of post employment benefit obligations, net of tax	(108.23)	(59.70)
Amount available for appropriations	**26138.86**	**18778.16**
Less : Appropriations		
Interim dividend on equity shares (amount per share ₹ 12.50 (31 March 2018: ₹ 10.00))	(933.92)	(746.26)
Transferred to general reserve	(1000.00)	(1000.00)
Final dividend on equity shares (amount per share ₹ 12.50 (31 March 2018: ₹ 10.00))	(932.82)	(746.26)
Corporate dividend tax on equity shares	(383.71)	(303.84)
Total appropriations	**(3250.45)**	**(2796.36)**
	22888.41	15981.80
Total reserves and surplus (A)	**63848.59**	**55835.74**

(B) Other comprehensive income ("OCI")

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Equity investments through OCI		
Balance at the commencement of the year	27.45	25.16
Changes in fair value	7.21	2.29
	34.66	27.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

16 Other equity (Continued)

(B) Other comprehensive income ("OCI") (Continued)

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Exchange differences on translation of foreign operations		
Balance at the commencement of the year	-	-
Add: Movement during the year	(914.31)	-
	(914.31)	-
Total other comprehensive income (B)	**(879.65)**	**27.45**
Total (A+B)	**62968.94**	**55863.19**

Dividends

After the reporting dates, the following dividends on equity shares (excluding corporate dividend tax) were proposed by the Board of Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Dividend on equity shares (amount per share ₹ 12.50 (31 March 2018: ₹ 12.50))	933.92	932.82
Corporate dividend tax	191.97	189.90

17 Borrowings

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings		
Secured		
Term loan from banks (refer note (a) below)	46345.93	-
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (b) below)	4841.36	6300.06
Unsecured		
Term loan from bank (refer note (c) below)	436.95	-
Deferred payment liabilities		
- Deferred sales tax loan (refer note (d) below)	290.20	346.85
	51914.44	**6646.91**
Current borrowings		
Secured		
Loans repayable on demand		
From bank		
- Working capital loan (refer note (e)(i) below)	3119.24	-
	3119.24	**-**
Unsecured		
Loans repayable on demand		
From banks		
- Working capital loan (refer note (e)(ii) below)	5006.96	-
	5006.96	**-**
	8126.20	**-**

(a) (i) A term loan taken from Kotak Mahindra Bank amounting to ₹ 27323.00 lacs is repayable in 19 equal quarterly instalments starting from 31 October 2019 amounting to ₹ 1380.00 lacs and the final instalment of ₹ 1103.00 lacs which is falling due on 31 July 2024. The loan carries an interest rate as MCLR + spread which has been 8.55% p.a. to 8.70% p.a. during the year. The loan is secured by way of exclusive equitable mortgage of land and building situated at Faridabad, Sanathnagar

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

17 Borrowings (Continued)

and Chennai locations of the Company. The Company is in the process of creation of charge on the said properties in favour of the bank as on the reporting date.

(ii) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 220.00 lacs by HIL International GmbH, Germany is repayable in 14 instalments out of which repayment of 13 equal semi-annual instalments of Euro 15.00 lacs is starting from 31 December 2018. The last instalment of Euro 25.00 lacs is falling due on 30 June 2025. The loan carries an interest rate of 1.80% p.a. to 3.25% p.a. during the year. The loan is secured by way of (a) hypothecation of issued share capital of Parador Holding GmbH (b) mortgage over Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs (c) pledge over all fixed assets and current assets of Parador GmbH (excluding receivables which are sold to Factoring).

(iii) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 100.00 lacs by Parador GmbH, Germany is repayable on termination date on 30 June 2025. The loan carried an interest rate of 1.40% p.a. to 3.25% p.a. during the year. The loan is secured by way of (a) first priority security over the issued share capital of Parador Holding GmbH subject to the Agreed Security Principles (b) mortgage over the Parador Gmbh's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excl. receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring.

(iv) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 11.55 lacs by Parador Parkettwerke GmbH, Austria is repayable in 14 equal semi-annual instalments of Euro 0.83 lacs starting from 31 March 2019. The last instalment is falling due on 30 September 2025. The loan carried an interest rate of 1.75% p.a. during the year. The loan is secured by way of guarantee of particular fixed assets for which loan was taken.

(b) Represents interest free sales tax loan taken from a financial institution and is repayable after 7 years from the date of its respective disbursement. The last instalment is falling due in August 2024. As per the agreement, these loans are secured by way of first charge on its entire assets of Sathariya unit, first charge on plant and machinery of its Balasore unit and collateral security of Corporate office building of the Company located at Gachibowli, Hyderabad.

(c) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 10.00 lacs by Parador Parkettwerke GmbH, Austria is repayable in 16 equal semi-annual instalments of Euro 0.63 lacs starting from 31 December 2016. The last instalment is falling due on 30 June 2024. The loan carried an interest rate of 1.85% p.a. during the year. The loan is secured by way of guarantee of Parador GmbH, Germany.

(d) Deferred sales tax loan was sanctioned towards the sales tax dues relating to Thimmapur, Kondapalli and Chennai unit. The loans are interest free and repayable at the end of 8 to 14 years from the month of deferral. The repayment of the deferral scheme has already commenced for all units. The Company has paid the last instalment for Chennai and Kondapalli during the previous year. Last instalment for Thimmapur unit is due during 2023-24.

(e) (i) A revolving loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 40.00 lacs by Parador Parkettwerke GmbH, Austria to facilitate exports and processes export guarantees. The loan carried an interest rate of 1.55% p.a. during the year. The loan is secured by way of guarantee of Parador GmbH and a mortgage over Parador Parkettwerke GmbH's real estate in Güssing, Austria of minimum Euro 25.00 lacs.

(ii) The Company availed working capital loan from two banks. These loans are repayable on demand and carries an interest rate as MCLR + spread which has been 8.05% p.a. to 8.60% p.a during the year.

18 Trade payables

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 39)	966.78	898.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	32559.00	18732.44
	33525.78	**19630.49**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

19 Other financial liabilities

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long-term debt (refer note 17 above)	6827.84	30.34
Interest accrued but not due on borrowings	204.38	-
Capital creditors	465.47	487.58
Unpaid dividend*	91.86	91.65
Sundry deposits	4812.49	4737.99
Derivative liabilities	95.78	-
Other financial liabilities	1679.32	738.90
	14177.14	**6086.46**

* Investor Education and Protection Fund shall be credited when due.

20 Provisions

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits		
- Gratuity (refer note 34)	164.51	130.98
- Pension and other post-retirement benefits (refer note 34)	2267.68	-
- Compensated absences	513.40	456.84
	2945.59	**587.82**
Current		
Provision for employee benefits		
- Pension	1.90	-
- Compensated absences	250.67	42.68
- Employee related other costs (refer note 40)	31.46	75.09
Provision for litigations (refer note 40)	357.95	227.13
Provision for warranties (refer note 40)	863.57	-
Provision- others (refer note 40)	600.00	600.00
	2105.55	**944.90**

21 Other liabilities

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Government grant	366.37	450.49
	366.37	**450.49**
Current		
Contract liability against payment	1833.07	1221.60
Statutory liabilities	1419.24	840.57
Government grant	84.55	84.55
Contract liability against performance obligation (refer note 51)	1296.13	1293.78
Other liabilities	2473.97	2273.99
	7106.96	**5714.49**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

22 Revenue from operations

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty)		
Finished goods	206248.39	127729.94
Traded goods	12701.67	4285.15
Sale of services		
Service concession arrangements	260.74	282.04
Other operating revenues		
Scrap sales	827.61	207.43
Liabilities no longer required, written back	764.02	112.58
	220802.43	**132617.14**

The Company is liable to Goods and Services Tax ("GST") with effect from 01 July 2017. The revenues for the year ended 31 March 2019 and 31 March 2018 is net of such GST. However, the revenues for the period 01 April 2017 to 30 June 2017 included in year ended 31 March 2018 are inclusive of excise duty.

Refer note 33 for segment wise details.

Reconciliation of revenue from sale of products with the contract prices

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Contracted price	232753.12	138023.18
Less: discounts	13803.06	6008.09
	218950.06	**132015.09**

23 Other income

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Dividend income on equity securities - at FVOCI- investment held at reporting date	0.50	0.38
Dividend income on current investments - at FVTPL	62.30	440.63
Gain on sale of current investments, net	415.16	76.65
Interest income under the effective interest method on financial assets	105.24	66.97
Rental income		
From investment property	623.59	616.74
From others	15.73	16.18
Net gain on sale of property, plant and equipment	605.54	854.39
Net gain on foreign currency transactions	-	31.80
Fair value gain on financial assets measured at fair value through profit and loss, net	648.44	4.09
Government grants	84.55	56.36
Miscellaneous income	113.84	86.74
	2674.89	**2250.93**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

24 Cost of raw materials consumed

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of materials at the beginning of the year*	25189.63	6730.34
Add: Purchases during the year	102426.51	57128.77
Less: Inventory of materials at the end of the year	23631.35	7420.25
	103984.79	56438.86

* Includes inventories on acquisition of subsidiaries amounting to ₹ 17769.38 lacs (31 March 2018: Nil).

25 Purchases of stock-in-trade

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Purchases of stock-in-trade	6780.15	3729.70

26 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Inventories at the beginning of the year		
Finished goods*	19674.06	12563.64
Stock-in-trade**	480.51	232.35
Work-in-progress***	4380.06	292.05
	24534.63	13088.04
Inventories at the end of the year		
Finished goods	19834.91	9755.24
Stock-in-trade	532.79	174.71
Work-in-progress	4525.11	347.47
	24892.81	10277.42
Changes in inventories	(358.18)	2810.62
Add: Stocks of finished goods out of trial run production	-	168.94
Adjustment for fluctuation in exchange rates	(850.65)	-
	(1208.83)	2979.56

* Includes inventories on acquisition of subsidiaries amounting to ₹ 9918.82 lacs (31 March 2018: Nil).
** Includes inventories on acquisition of subsidiaries amounting to ₹ 305.80 lacs (31 March 2018: Nil).
*** Includes inventories on acquisition of subsidiaries amounting to ₹ 4032.59 lacs (31 March 2018: Nil).

27 Employee benefits expense

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	20926.42	8955.23
Contribution to provident and other fund (refer note 34)	2874.61	512.73
Employee share based payment expense - equity settled (refer note 41)	52.67	38.36
Gratuity, pension and other post-retirement benefits expenses (refer note 34)	238.67	165.87
Staff welfare expenses	1018.38	757.90
	25110.75	10430.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

28 Finance costs

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest expenses on long-term loans measured at amortised cost	1938.69	-
Interest expenses on working capital loans measured at amortised cost	184.37	-
Interest expenses on other financial liabilities measured at amortised cost	68.76	43.38
Interest expenses on income-tax	4.67	79.60
Interest expenses on others	319.34	263.73
	2515.83	**386.71**

29 Depreciation and amortisation expenses

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment (refer note 4)	6386.57	4392.48
Amortisation of intangible assets (refer note 6)	439.18	244.83
Depreciation on investment property (refer note 5)	30.37	52.73
	6856.12	**4690.04**

30 Other expenses

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	3842.73	3097.55
Power and fuel	8230.14	5637.64
Contract wages	5217.74	3427.82
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	1908.26	830.09
Buildings	841.19	275.70
Others	1535.77	1638.67
Carriage outwards	20470.94	14543.14
Packing expenses	773.64	680.55
Rent (refer note 45)	1273.64	2367.06
Rates and taxes	362.34	1792.18
Excise duty on decrease in inventories	-	(1861.23)
Insurance	360.63	74.94
Professional, consultancy and legal expenses	2106.13	1692.75
Advertisement and sales promotion	6304.15	1887.82
Travelling and conveyance	2458.82	1595.37
Commission on sales	575.23	145.89
Directors' commission	107.50	106.50
Directors' fee	59.50	43.00
Donations (refer note (i) below)	304.41	-
Royalty	760.12	-
Provision for impairment of receivables, advances and other assets, net	(44.27)	(186.37)
Bad debt written off	162.41	15.07
Provision for diminution in value of investments	-	142.60
Fair value loss on financial assets measured at fair value through profit and loss	10.30	-
Net loss on foreign currency transactions	533.20	-
Expenditure on corporate social responsibility (refer note 31)	204.71	242.15
Miscellaneous	2282.87	1389.60
	60642.10	**39578.49**

Note:

(i) Donations include ₹ 300.25 lacs (31 March 2018: Nil) contribution made to Electoral Trust.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

31 Details of corporate social responsibility expenditure

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) Gross amount required to be spent by the Company during the year	163.46	148.56
b) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	204.71	242.15

32 Income-tax

(A) Amount recognised in consolidated statement of profit and loss

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax	5620.74	4470.51
Income-tax for earlier years	62.69	-
Deferred tax attributable to temporary differences	830.25	(555.33)
Tax expenses	**6513.68**	**3915.18**

(B) Amount recognised in other comprehensive income ("OCI")

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Deferred tax related to items recognised in OCI		
Deferred tax expense on remeasurements of defined benefit plans	51.45	31.60
Deferred tax benefit on fair value gain on investments in equity instruments through OCI	(2.19)	(1.21)
Deferred tax income/ (expense) recognised in OCI	**49.26**	**30.39**

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for the year ended 31 March 2019

32 Income-tax (Continued)

(C) Reconciliation of effective tax rate

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	16653.48	11990.67
Enacted tax rate in India	34.944%	34.608%
Tax using the Company's domestic tax rate	5819.39	4149.73
Tax effect of:		
Differences in tax rates in foreign jurisdictions*	(132.21)	-
Non-deductible tax expenses	1166.90	111.99
Tax exempt income	(21.95)	(152.62)
Rate difference	(67.21)	(45.52)
Tax incentives	(307.86)	(143.75)
Others	(6.07)	(4.64)
	6450.99	**3915.19**
Adjustments in respect of income-tax for earlier years	62.69	-
Income-tax recognised in the consolidated statement of profit and loss	**6513.68**	**3915.19**

The tax rate used for reconciliation above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under Indian tax law.

* Subsidiaries acquired during the year ended 31 March 2019 operates in tax jurisdictions with lower tax rates.

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Deferred tax liabilities		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in books of account	15170.29	6763.57
Fair value gain on derivatives	223.48	-
Others	232.01	12.85
Total deferred tax liabilities (A)	**15625.78**	**6776.42**
Deferred tax assets		
Allowable for tax purposes on payment basis	2398.33	1746.91
Provision for doubtful trade receivables	805.21	819.14
Voluntary early retirement scheme	115.43	206.04
Others	247.85	51.64
Total deferred tax assets (B)	**3566.82**	**2823.73**
Net deferred tax (asset)/ liability (A-B)	**12058.96**	**3952.69**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

32 Income-tax (Continued)

(E) Movement in temporary differences:

(₹ in lacs)

Particulars	Balance as at 01 April 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018	Deferred tax acquired in business combination	Ind AS 115 transitional adjustment in retained earnings	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Foreign currency translation impact	Balance as at 31 March 2019
Deferred tax liabilities										
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in books of account	6820.42	(56.85)	-	6763.57	8244.17	-	657.98	-	(495.43)	15170.29
Fair valuation gain in derivative contracts	-	-	-	-	-	-	223.34	-	0.14	223.48
Other items	8.44	3.20	1.21	12.85	39.17	-	188.22	2.19	(10.42)	232.01
Total deferred tax liabilities (A)	**6828.86**	**(53.65)**	**1.21**	**6776.42**	**8283.34**	**-**	**1069.54**	**2.19**	**(505.71)**	**15625.78**
Deferred tax assets										
Allowable for tax purposes on payment basis	1092.83	654.08	-	1746.91	358.72	-	264.27	51.45	(23.02)	2398.33
Provision for doubtful trade receivables	826.44	(7.30)	-	819.14	-	-	(13.93)	-	-	805.21
Voluntary early retirement scheme	318.40	(112.36)	-	206.04	-	-	(90.61)	-	-	115.43
Other items	52.78	(32.74)	31.60	51.64	184.08	(67.40)	79.56	-	(0.03)	247.85
Total deferred tax assets (B)	**2290.45**	**501.68**	**31.60**	**2823.73**	**542.80**	**(67.40)**	**239.29**	**51.45**	**(23.05)**	**3566.82**
Net deferred tax (asset)/ liability (A-B)	**4538.41**	**(555.33)**	**(30.39)**	**3952.69**	**7740.54**	**67.40**	**830.25**	**(49.26)**	**(482.66)**	**12058.96**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

33 Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has four reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's CEO reviews internal management reports on regular basis.

During the year, Wall Putty business has been moved from Building Solutions to Polymer Solutions (consists of Pipes and Fittings and Wall Putty) in view of the high synergy seen in the retail space of these products. Accordingly, Chief Operating Decision Maker ('CODM') started reviewing the business performance of Wall Putty along with Polymer Solutions. Hence, the Company has changed its operating segments and has restated the previously reported information to conform to current year presentation.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segments	Operations
Roofing Solutions	Manufacturing and distributing Fibre Cement Sheets, Coloured Steel Sheets and Non-Asbestos Cement Sheets
Building Solutions	Manufacturing and distributing Fly Ash Blocks, Sandwich Panels, Thermal Insulation products and Dry-mix
Polymer Solutions	Manufacturing and distributing Pipes & Fittings, and Wall Putty
Flooring Solutions	Manufacturing and distributing Laminate, Engineered and Resilient flooring, Skirtings and Wall Panel products
Others	Wind Power, Material Handling and Processing Plant and Equipments

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

1 Segment revenue

(Revenue / Income from segments)

(₹ in lacs)

S. No.	Particulars	31 March 2019	31 March 2018
(a)	Roofing Solutions	87388.52	85739.02
(b)	Building Solutions	36344.65	34004.29
(c)	Polymer Solutions	23298.21	11513.63
(d)	Flooring Solutions	72613.49	-
(e)	Others	1478.37	1625.72
	Total	**221123.24**	**132882.66**
	Less: Inter segment revenue	320.81	265.52
	Revenue / Income from operations	**220802.43**	**132617.14**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

33 Operating segments (Continued)

B. Information about reportable segments (Continued)

2 Segment results

Profit before tax from segments

(₹ in lacs)

S. No.	Particulars	31 March 2019	31 March 2018
(a)	Roofing Solutions	19041.28	13138.80
(b)	Building Solutions	2671.10	704.44
(c)	Polymer Solutions	283.95	836.26
(d)	Flooring Solutions (refer note (E) below)	1150.11	-
(e)	Others	665.04	1081.49
	Total	**23811.48**	**15760.99**
	Less:		
	i) Interest	1704.70	123.05
	ii) Other un-allocable expenditure net-off un-allocable income	5453.30	3647.27
	Total profit before tax	**16653.48**	**11990.67**

3 Segment assets

(₹ in lacs)

S. No.	Particulars	31 March 2019	31 March 2018
(a)	Roofing Solutions	37736.98	34364.13
(b)	Building Solutions	26993.29	29123.95
(c)	Polymer Solutions	20960.99	12716.37
(d)	Flooring Solutions	95541.24	-
(e)	Others	4179.21	4375.52
(f)	Unallocated	12056.92	21289.49
	Total Assets	**197468.63**	**101869.46**

4 Segment liabilities

(₹ in lacs)

S. No.	Particulars	31 March 2019	31 March 2018
(a)	Roofing Solutions	21443.01	19863.62
(b)	Building Solutions	8023.03	7976.21
(c)	Polymer Solutions	4219.45	2833.49
(d)	Flooring Solutions (refer note (E) below)	53146.15	-
(e)	Others	200.72	279.48
(f)	Unallocated	46717.48	14304.49
	Total liabilities	**133749.84**	**45257.29**

C. Geographical information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic market, regardless of where the goods were produced and segment assets presentation is based on the geographical location of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

33 Operating segments (Continued)

C. Geographical information (Continued)

(i) Revenue from external customers

(₹ in lacs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
India	147120.79	131799.43
Other countries	73681.64	817.71
	220802.43	**132617.14**

(ii) Carrying amount of non-current assets (excluding derivative assets)

(₹ in lacs)

Particulars	As at 31 March 2019	As at 31 March 2018
India	62771.27	57265.25
Other countries	53259.48	-
	116030.75	**57265.25**

D. Major customer

Revenue from any customer of the Group's Roofing Solutions, Building Solutions, Polymer Solutions, Flooring Solutions and other segments does not exceed 10% of the total revenue reported and hence, the Management believes there are no major customers to be disclosed.

E. Exceptional items (₹ 2115.73 lacs) and interest expenses for the loan taken from bank amounting to (₹ 580.71 lacs) are allocated to Flooring Solutions segment for the purpose of arriving at segment results and related borrowings (₹ 27851.74 lacs) and interest accrued but not due on borrowings (₹ 1.59 lacs) have been allocated to Flooring Solutions segment liabilities.

34 Employee benefits

The Group has the following post-employment benefit plans:

(a) Defined contribution plan

The following amount has been recognised as an expense in consolidated statement of profit and loss on account of contribution to provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Contribution to provident fund	499.18	438.38
Contribution to employees state insurance schemes and other schemes	2344.63	38.42
Contribution to super annuation fund	30.80	35.93
	2874.61	**512.73**

b) Defined benefit plan

The Group has various employee benefit plans covering different categories of employees based on location of employment.

A. Gratuity plan of the Company

In accordance with the 'The Payment of Gratuity Act, 1972' of India, the Company provides for Gratuity, the Employees' Gratuity Fund Scheme (the Gratuity Plan), covering eligible employees in India. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to the consolidated statement of profit and loss. This defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

34 Employee benefits (Continued)

b) Defined benefit plan (Continued)

The Gratuity plan managed by a trust is a defined benefit gratuity plan which is administered through Group Gratuity Scheme with Life Insurance Corporation of India ('LIC'). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service or part thereof in excess of six months.

The Company has determined that, in accordance with the terms and conditions of the gratuity plan, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, the present value of refund or reduction in future contributions is not lower than the balance of the total fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 31 March 2019 (31 March 2018: no decrease in defined benefit asset).

i) Reconciliation of the net defined benefit (asset)/ liability

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss, the funded status and amount recognised in the consolidated balance sheet for the gratuity plan:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	1496.55	1333.29
Current service cost	184.49	158.83
Interest cost	109.17	99.12
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	2.65	-
- change in financial assumptions	(51.35)	15.94
- experience variance (i.e. actual experience vs assumptions)	48.58	75.36
Benefits paid	(189.40)	(185.99)
Balance at the end of the year	**1600.69**	**1496.55**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	1365.57	1238.56
Interest income	99.62	92.08
Contributions paid into the plan	90.62	73.70
Benefits paid	(15.81)	(38.77)
Return on plan assets, excluding amount recognised in net interest expense	(103.82)	-
Balance at the end of the year	**1436.18**	**1365.57**
Net defined benefit (asset)/ liability recognised in consolidated balance sheet	**164.51**	**130.98**
Expense recognised in consolidated statement of profit and loss		
Current service cost	184.49	158.83
Net Interest cost/ (income) on the net defined benefit liability/ (assets)	9.56	7.04
	194.05	**165.87**
Remeasurements recognised in other comprehensive income		
Actuarial loss/ (gain) on defined benefit obligation	(0.12)	91.30
Return on plan assets, excluding amount recognised in net interest expense	103.82	-
	103.70	**91.30**

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2019	31 March 2018
Fund managed by LIC	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

34 Employee benefits (Continued)

b) Defined benefit plan (Continued)

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2019	31 March 2018
Discount rate	7.70%	7.30%
Future salary growth	8.00%	8.00%
Attrition rate	5.00%	5.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

(₹ in lacs)

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	1479.58	1739.80	1389.08	1620.39
Effect of 1% change in the assumed salary growth rate	1738.02	1478.84	1618.31	1388.80
Effect of 1% change in the assumed attrition rate	1588.23	1615.46	1478.48	1518.99

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of ₹ 355.78 lacs to the plan for the next annual reporting period.

Maturity profile of the defined benefit obligation

Expected cash flows

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Within 1 year	130.57	195.79
2 to 5 years	630.17	594.50
6 to 10 years	855.96	649.50
More than 10 years	1928.08	1647.48

At 31 March 2019, the weighted average duration of defined benefit obligation was 8 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

34 Employee benefits (Continued)

b) Defined benefit plan (Continued)

B. Other retirement benefit plans in subsidiary companies

In respect of subsidiary companies, the Group has defined benefit retirement plans covering its employees. Pension provisions are recognised for obligations due to benefit plans for old age, invalidity, and surviving dependent's benefits. Benefits vary according to the legal, tax, and economic circumstances prevailing in each relevant country. Benefits are usually based on the length of service and final salary of employees. The actuarial valuation of the present value of the defined benefit obligation has been carried out as at 31 March 2019.

i) Reconciliation of the net defined benefit (asset)/ liability

The following tables summarises the components of net benefit expense recognised in the consolidated statement of profit and loss, the funded status and amount recognised in the consolidated balance sheet for the gratuity plan:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	-	-
Acquired through business combination	2410.93	-
Current service cost	22.73	-
Interest cost	26.99	-
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(2.66)	-
- change in financial assumptions	91.46	-
- experience variance (i.e. actual experience vs assumptions)	(32.82)	-
Benefits paid	(74.56)	-
Foreign exchange fluctuation	(1.37)	-
Balance at the end of the year	**2440.70**	**-**
Reconciliation of the present value of plan assets		
Balance at the beginning of the year	159.95	-
Interest income	5.10	-
Contributions paid into the plan	6.58	-
Foreign exchange fluctuation	(0.51)	-
Balance at the end of the year	**171.12**	**-**
Net defined benefit (asset)/ liability recognised in consolidated balance sheet	**2269.58**	**-**
Expense recognised in consolidated statement of profit and loss		
Current service cost	22.73	-
Net Interest cost/ (income) on the net defined benefit liability/ (assets)	21.89	-
	44.62	**-**
Remeasurements recognised in other comprehensive income		
Actuarial loss/ (gain) on defined benefit obligation	55.98	-
	55.98	-

Plan assets

Plan assets comprises of the following:

Particulars	31 March 2019	31 March 2018
Fund managed by Neue Leben Lebensversicherungs AG for the fund created for liability of one of the subsidiary company	100%	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

34 Employee benefits (Continued)

b) Defined benefit plan (Continued)

ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2019	31 March 2018
Discount rate	1.45% to 1.51%	-
Future salary growth	3.00%	-
Pension increase rate	1.75%	-
Attrition rate	4.85%	-

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/ rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the group's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

iii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

(₹ in lacs)

Particulars	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Effect of 0.5% change in the assumed discount rate	1681.98	1910.88	-	-
Effect of 0.25% change in the assumed pension rate	1836.00	1746.15	-	-

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Expected contributions to the plan for the next annual reporting period

The Company expects to contribute a sum of ₹ 6.58 lacs to the plan for the next annual reporting period.

Maturity profile of the defined benefit obligation

Expected cash flows

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Within 1 year	116.62	-
2 to 5 years	401.21	-
More than 5 years	431.71	-

At 31 March 2019, the weighted average duration of defined benefit obligation was 12.91 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

35 Earnings per share ("EPS")

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
(a) Net profit attributable to the equity shareholders	10139.80	8075.49
(b) Weighted average number of equity shares outstanding during the year	7467951	7462563
(c) Effect of potential equity shares on employee stock option outstanding	24359	13788
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b) + (c)]	7492310	7476351
(e) Nominal value of equity shares (in ₹)	10.00	10.00
(f) Basic earnings per share (in ₹) [(a)/(b)]	135.78	108.21
(g) Diluted earnings per share (in ₹) [(a)/(d)]	135.34	108.01

36 Capital commitments

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	1992.46	1381.58

37 A. Contingent liabilities (not provided for) in respect of :

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
(a) Demand raised by the Income-tax authorities, being disputed by the Group*	1934.04	1942.93
(b) Demands raised by sales tax authorities, being disputed by the Group**	2519.17	2209.59
(c) Demands (including penalties) raised by excise authorities, being disputed by the Group***	829.66	3002.00
(d) Appeal filed by the Group before the High Court of Judicature of Andhra Pradesh against the decision of appeal in favour of the Income-tax department pertaining to wealth tax matter.	56.98	56.98
(e) Pending cases with High Court where Income-tax department has preferred appeals	596.26	596.26
(f) Demand for property tax, being disputed by the Group	252.15	561.86
(g) Other claims against the Group not acknowledged as debts ****	286.64	288.39

(h) There are other civil matters against the Group of which one such case is pertaining to certain mining activity performed by the Group in the past. During the year, Tribunal has referred the case to concerned state authorities to evaluate the cost of restoration of the affected area and submit the report to recover the cost from the parties involved. Further, claims from other affected parties, if any, would have to be examined. Considering no action has been taken with respect to the above and no demand for cost of the aforesaid has been made to the Group, Management believes it is not possible to ascertain the financial impact on the Group.

* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment for the financial years 2008-09 to 2014-15. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, depreciation expenses on wind mill, other expenses not allowed and capital gain on relinquishment of right on leasehold land.

** The demands raised by the sales tax authority are mainly towards enhancement of turnover due to certain disallowances, entry tax on stock transfers and local sales tax demand upon completion of assessment and various other miscellaneous cases raised by the respective state authorities.

*** The demand raised by the excise authority is mainly towards excise duty demand including interest and penalty towards disallowance of availment of CENVAT credit and wrong classification of products as taxable versus exempt product.

**** Other claims against the Group not acknowledged as debt mainly includes liability towards fuel surcharge adjustment disputed with electricity board for the financial year 2008-09 and 2009-10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

37 A. Contingent liabilities (not provided for) in respect of : (Continued)

The Group is contesting the demands and the Management believe that its position will likely be upheld in the appellate process and accordingly no expense has been accrued in the consolidated financial statements for the demand raised/ show cause notice received as the ultimate outcome of these proceedings will not have a material adverse effect on the group's consolidated financial statements.

B. On 28 February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Group has made a provision for provident fund contribution based on the best estimate. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

38 Related parties

A. List of related parties and nature of relationship

Name of the related party	Nature of relationship	Country	% of Holding as at	
			31 March 2019	31 March 2018
Supercor Industries Limited	Joint venture	Nigeria	33%	33%
Parador (Shanghai) Trading Co., Ltd.	Joint venture	China	50%	-

Name of the related party	Nature of relationship
Key Management personnel	
Mr. Dhirup Roy Choudhary	Managing Director and Chief Executive Officer ("CEO")
Mr. KR Veerappan	Chief Financial Officer
Mr. G Manikandan	Company Secretary and Financial Controller
Non-Executive Directors and Independent Directors	
Mr. CK Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrapal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. V. V. Ranganathan	Independent Director (joined on 19 March 2019)
Mr. Arvind Sahay	Independent Director (joined on 08 February 2019)
Mr. P. Vaman Rao	Independent Director (resigned w.e.f. 08 February 2019)
Mr. Yash Paul	Independent Director (resigned w.e.f. 19 March 2019)

B. Transactions with related parties

Related party	Nature of transactions	31 March 2019	31 March 2018
Non-Executive Directors and Independent Directors	Sitting fees and commission	167.00	149.50
Managing Director and Chief Executive Officer	Managerial remuneration*	362.28	297.02
	Share based payment	56.83	38.30
Chief Financial Officer	Managerial remuneration*	178.31	155.15
	Share based payment	7.95	10.08
Company Secretary and Financial Controller	Managerial remuneration*	55.81	47.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

38 Related parties (Continued)

C. Balances outstanding

(₹ in lacs)

Related party	Details	31 March 2019	31 March 2018
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	107.50	106.50
Managing Director and Chief Executive Officer	Managerial remuneration*	76.83	71.05
	Share based payment	95.14	38.30
Chief Financial Officer	Managerial remuneration*	37.10	32.35
	Share based payment	21.52	29.43
Company Secretary and Financial Controller	Managerial remuneration*	8.15	6.57

During previous year, the Group made provision for the dividend receivable amounting to ₹ 9.01 lacs from Supercor Industries Limited ("Supercor") as the receipt of same is considered to be doubtful. Further, the group has also made provision for value of investment in Supercor in the books of account amounting to ₹ 142.60 lacs.

* As the future liabilities for gratuity and leave encashment is provided on an actuarial basis and payment of insurance costs are made for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable, therefore, not included above.

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis.

39 Details of dues to Micro Enterprises and Small Enterprises as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information as required under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [including ₹ 11.83 lacs shown under capital creditors (31 March 2018: ₹ Nil)];	978.61	898.05
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
(c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	Nil	Nil
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	Nil	Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

40 Other provisions

(₹ in lacs)

Particulars	Opening balance	Created during the year	Utilised during the year	Exchange differences on translation of foreign operations	Closing balance
(i) For the year 2018-19					
Provision for employee related other costs [refer note (a) below]	75.09	21.82	65.45	-	31.46
Provision for litigations [refer note (b) below]	227.13	168.70	37.88	-	357.95
Provision- others [refer note (c) below]	600.00	-	-	-	600.00
Provision for warranties [refer note (d) below]	879.79	45.75	6.74	(55.23)	863.57
	1782.01	**236.27**	**110.07**	**(55.23)**	**1852.98**
(ii) For the year 2017-18					
Provision for employee related other costs [refer note (a) below]	88.11	55.39	-	68.41	75.09
Provision for litigations [refer note (b) below]	99.19	130.91	-	2.97	227.13
Provision- others [refer note (c) below]	-	600.00	-	-	600.00
	187.30	**786.30**	**-**	**71.38**	**902.22**

(a) The wage agreement at one of the manufacturing locations (31 March 2018: at four) of the Group are pending as at 31 March 2019. It is expected that agreement will be entered in next year and arrears would be paid based on the agreement. The provision for wage arrears have been made on the basis of expected outflows.

(b) Provision for litigations represents provision towards potential liability against various ongoing indirect tax cases based on Group's internal assessment.

(c) Provision- others represents provision towards possible obligation against certain past events for which the expected outflow is certain.

(d) Provision for warranties represents provision towards possible replacements to the customers within the agreed warranty period. Opening balance represents amount acquired through business combination.

41 Share based payments

A. Description of share-based payment arrangements

Employee stock option scheme (equity-settled)

The Group provides share-based payment schemes to its eligible employees as identified in the "HIL Employees Stock Option Scheme 2015 (HIL ESOS)". The relevant details of the scheme and the grant are as below:

On 12 May 2015 the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2015 ("HIL ESOS") for issue of stock options to identified employees of the Group.

According to the scheme, eligible employees identified by the Nomination and Remuneration cum Compensation Committee entitled to options, subject to satisfaction of the prescribed vesting conditions viz, continuing employment on the rolls of the Group as on 01 April 2015 as well as new employees who replaces the old eligible employee and joins the employment of the Group before 30 June 2017. The relevant terms of the grant as mentioned in the ESOP scheme 2015 are as below:

Particulars	Grant I	Grant II
Date of grant	17 August 2015	27 July 2017
Number of options outstanding	21950	35600
Vesting period	40% - end of year 3	40% - end of year 3
	60% - end of year 4	60% - end of year 4
Exercise period	4 years from the respective dates of vesting	4 years from the respective dates of vesting
Exercise price (₹)	620.00	620.00
Weighted average market price (₹)	789.59	1091.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

41 Share based payments (Continued)

B. Measurement of fair values

The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans measured based on the Black Scholes valuation model are as follows:

As at 31 March 2019 and 31 March 2018

Grant date	Grant I		Grant II	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
	17 August 2015		27 July 2017	
Fair value at grant date (₹)	341.69	341.69	563.45	563.45
Exercise price (₹)	620.00	620.00	620.00	620.00
Expected volatility (weighted average volatility)	34.32%	37.84%	33.04%	33.67%
Risk-free interest rate (based on government bonds)	7.43%	7.43%	6.41%	6.41%
Time to maturity (in years)	6.00	7.00	6.00	7.00
Expected dividends yields	3.02%	3.02%	2.50%	2.50%

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining contractual life for the stock options outstanding is 5.68 years (31 March 2018: 6 years).

C. Reconciliation of outstanding share options

The details of activity under "HIL ESOS" are summarised below:

Particulars	31 March 2019	31 March 2018
	No. of options	No. of options
Outstanding at the beginning of the year	57550	33350
Granted during the year	-	35600
Cancelled during the year*	6210	11400
Vested and exercised during the year	8780	-
Outstanding at the end of the year	42560	57550

* cancelled stock options lies in pool account for future grants.

The weighted average share price at the date of exercise for share options exercised during the year ended 31 March 2019 was ₹ 2195.10 (31 March 2018: No options exercised).

D. Expense recognised in the consolidated statement of profit and loss

For details on the employee benefits expense, see note 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

42 Particulars of hedged foreign currency exposure as at the balance sheet date

The details of forward contracts outstanding at the year end are as follows:

	Currency	Number of contracts	Amount in foreign currency	Purpose
As at 31 March 2019	US$	23	8179546	For hedging of trade payables
	EUR	22	11250000	For hedging of loan receivables
	AED	1	2379551	For hedging of trade payables
As at 31 March 2018	US$	6	1335094	For hedging of trade payables

43 Service concession arrangement

On 21 March 2011, the Group entered into a service concession agreement with Gujarat Urja Vikas Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 18 April 2011. Under the terms of the agreement, the Group will sell all available capacity of electricity generated from the 1.8 MW wind power plant at village Vandhiya, Gujarat for a period of 25 years at a fixed rate of ₹ 3.56 per kwh for delivered energy as certified by state electricity authority of Gujarat state load dispatch center ("SLDC"), starting from 18 April 2011 (commercial operation date). The Group will be responsible for any maintenance services required during the concession period. The Group does not expect major repairs to be necessary during the concession period.

On 24 September 2014, the Group entered into a service concession agreement with Ajmer Vidyut Vitran Nigam Limited (the grantor) to provide the service of generation of electricity and selling the same to grantor. The Power Plant was commissioned and available for use on 30 September 2014. Under the terms of the agreement, the Group will sell all available capacity of electricity generated from the 2 MW wind power plant at village Rajgarh, district Jaisalmer for a period of 25 years at a fixed rate of ₹ 5.31 per kwh for the delivered energy conforming the standards as approved by Rajasthan Electricity Regulatory Commission ("RERC"), starting from 30 September 2014 (commercial operation date). The Group will be responsible for any maintenance services required during the concession period. The group does not expect major repairs to be necessary during the concession period.

The Group recognised service concession arrangement with Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited under intangible asset model, on the basis that the group will receive variable amount of revenue from the respective discoms in Gujarat and Rajasthan depending upon the actual amount of electricity generated and supplied to the respective discoms. The discoms has not assured any minimum amount of proceeds to the Group. The Group bears the demand risk and the right to receive cash from the Discoms is not unconditional i.e. it depends upon the actual amount of electricity generated and supplied to the discoms.

The service concession agreements with the Gujarat Urja Vikas Nigam Limited and Ajmer Vidyut Vitran Nigam Limited does not contain a renewal option. The standard rights of the grantor to terminate the agreement in both the arrangements include poor performance by the Group and the event of a material breach of the terms of the agreement by the Group. The standard rights of the Group to terminate the agreement in both the arrangements include failure of the grantor to make payment under the agreement and a material breach by the grantor of the terms of the agreement.

During the year, the Group has recorded revenue of ₹ 260.74 lacs (31 March 2018: ₹ 282.04 lacs) on generation of power, and recorded profit of ₹ 123.89 lacs (31 March 2018: ₹ 182.29 lacs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

44 Equity accounted investees

Interest in joint venture

The Group's interest in a joint venture company is as follows:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment		
Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid	142.60	142.60
(31 March 2018 : 4125000 equity shares of Naira 1 each fully paid)		
Less: Provision for investment in joint venture	(142.60)	(142.60)
Parador (Shanghai) Trading Co., Ltd., China	34.40	-
One share of 100000 Euro each		
	34.40	**-**
Aggregate amount of unquoted non-current investments	34.40	-
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60

Name of the joint venture company	Country of incorporation	Proportion of ownership interest	For the year ended on	Description of Interest
Supercor Industries Limited (refer note (a) below)	Nigeria	33%	31 December 2018	JV established for manufacture of asbestos cement sheets
Parador (Shanghai) Trading Co., Ltd	China	50%	31 March 2019	JV established for trading of Flooring Solutions products

Equity accounted investees

The following table summarises the financial information of Parador (Shanghai) Trading Co., Ltd. and the carrying amount of the Group's interest in Parador (Shanghai) Trading Co., Ltd. for the reporting years:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Parador (Shanghai) Trading Co., Ltd.		
Percentage of ownership interest	50%	-
Non-current assets	48.44	-
Current assets	350.34	-
Non-current liabilities	-	-
Current liabilities	(319.40)	-
Net Assets	**79.38**	**-**

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for the year ended 31 March 2019

44 Equity accounted investees (Continued)

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Group's share	39.69	-
Unrealised profit eliminations	(5.28)	-
Group's share of net assets (50%)	**34.41**	**-**
Carrying amount of interest in joint venture	**34.41**	**-**
Revenue	220.68	-
Loss	**(54.40)**	**-**
Other comprehensive income	-	-
Total comprehensive income	(54.40)	-
Group's share of loss	(27.20)	-
Group's share of other comprehensive income	-	-
Group's share of total comprehensive income	**(27.20)**	**-**

During the year ended 31 March 2019 and 31 March 2018, the Group did not receive dividends from the above joint venture Companies.

Note:

a) The Group holds 33% stake in Supercor Industries Limited ("Supercor") and its investment in Supercor as at 31 March 2019 amounts to ₹ Nil (31 March 2018: ₹ Nil), after considering the provision for diminution in value of investments amounting to ₹ 142.60 lacs (31 March 2018: ₹ 142.60 lacs). Supercor suspended its operations from November 2015, none of the employees of Supercor are attending office and the power connection at the office of Supercor has also been discontinued. On account of this reason, Supercor has been unable to prepare its year end accounts. Therefore, due to non-availability of any information from Supercor and the unusual circumstances mentioned above, which is beyond the control of the Group, the Group is unable to present the required information.

During earlier years, the Group had filed a winding up petition in Nigeria for Supercor and made 100% provision against the investment value and outstanding receivable balances. As informed by Management, the winding-up petition filed by the Group in 2016 has been dismissed in Nigerian Court. An interim Board has been set up by the Nigerian Government for assessing the revival of the operations. However, detailed plan of action from the interim Board of Supercor is awaited. The Management does not foresee any future liability on account of any claim, with respect to Supercor over and above the amount invested in Supercor.

As mentioned above, due to non-availability of financial information of Supercor in the previous year, an exemption was availed from preparation of consolidated financial statements. The Group had made an application in this regard to Ministry of Corporate Affairs (through Registrar of Companies, Andhra Pradesh and Telangana) on 23 February 2018 that was also intimated to stock exchange on 26 March 2018. Accordingly, the Group had not prepared a consolidated financial statements in the previous year as there were no other components that could have been consolidated.

In the current year, while preparing consolidated financial statements, the Group has presented previous standalone financial statements as a comparative.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

45 Leases

i. Operating lease in the capacity of lessor

The Group has given certain properties under non-cancellable operating leases to various parties. Following are the details of future minimum lease payments under the agreement:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Not later than one year	248.94	421.47
Later than one year and not later than five years	143.52	392.46
Later than five years	-	-

ii. Operating lease in the capacity of lessee

a) The Group has certain operating leases for office facilities, warehouses and residential premises (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of ₹ 973.57 lacs (31 March 2018: ₹ 446.00 lacs) in respect of obligation under operating leases have been recognised in the consolidated statement of profit and loss.

b) The Group had certain cancellable arrangements with the parties (which conveys a right to use an asset in return for a payment or a series of payments) identified to be in the nature of lease and had been classified as operating lease arrangements. Rental expense of ₹ Nil (31 March 2018: ₹ 1921.06 lacs) in respect of obligation under operating leases had been recognised in the consolidated statement of profit and loss. It includes payment for non-lease elements in the arrangement as the same is impracticable to separate the payments reliably.

c) The Group has taken certain equipments, vehicles and warehouses under non-cancellable operating leases from various parties. Rental expenses of ₹ 300.07 lacs (31 March 2018: Nil) in respect of obligation under operating leases have been recognised in the consolidated statement of profit and loss. Following are the details of future minimum lease payments under the agreement:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Not later than one year	338.06	-
Later than one year and not later than five years	467.29	-
Later than five years	465.91	-

46 Capital management

The Group aims to maintain a strong capital base so as to maintain the confidence of all stakeholders and to sustain future development of the business.

In order to maintain the capital structure, the Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves and debt includes long-term borrowings (including current maturities) and short-term borrowings.

The Group's total debt to equity ratio at the reporting dates were as follows:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Total debt	66868.48	6677.25
Total debt (A)	**66868.48**	**6677.25**
Total equity	63718.79	56612.17
Total equity (B)	**63718.79**	**56612.17**
Total debt to total equity ratio (A/B)	**1.05**	**0.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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47 Expenditure incurred on research and development

Revenue expenditure debited to respective heads of account includes expenditure incurred on research and development during the year amounting to ₹ 357.83 lacs (31 March 2018: ₹ 329.87 lacs) and assets/ equipment purchased for research activities of ₹ 108.61 lacs (31 March 2018: ₹ 79.00 lacs) disclosed under Property, plant and equipment.

48 Expenditure during construction period (included in capital work-in-progress)

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Balance brought forward	159.08	-
Expenditure incurred during the year		
Cost of material consumed	0.83	165.68
Employee benefits expense	11.36	55.73
Consumption of stores and spares	0.13	35.81
Power and fuel	13.50	37.87
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	-	6.26
Others	-	32.15
Rent	1.45	1.78
Rates and taxes	13.18	1.10
Insurance	2.02	5.29
Professional, consultancy and legal expenses	33.11	32.23
Travelling and conveyance	28.67	32.32
Carriage outwards	-	13.91
Miscellaneous expenses	17.87	29.43
Total expenditure during construction period	**122.12**	**449.56**
Less: Turnover	-	75.57
Less : Stocks of finished goods out of trial run production	-	168.94
Total	281.20	**205.05**
Allocated to property, plant and equipment	244.89	45.97
Balance carried forward	36.31	159.08

49 The Company has entered into transactions amounting to ₹ 439.70 lacs (31 March 2018: ₹ 377.65 lacs) during the year ended 31 March 2019 and having outstanding payable balance amounting to ₹ 18.50 lacs as at 31 March 2019 (31 March 2018: ₹ 71.89 lacs) with CK Birla Corporate Services Limited. As the Company and CK Birla Corporate Services Limited use the same 'CK Birla' brand and are disclosed as being part of the same 'group' on the website operated by CK Birla Corporate Services Limited, from a good governance perspective the transaction and outstanding payable balances are disclosed in the consolidated Ind AS financial statements.

50 The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

51 Change in significant accounting policies:

Ind AS 115 has impact on customer loyalty programme. Under Ind AS 18, revenue was allocated between the loyalty programme and the Group's products using the residual value method i.e., consideration was allocated to the loyalty programme based on the fair value of the loyalty points and the remainder of the consideration was allocated to the Group's products. Under Ind AS 115, this allocation is based on the relative stand-alone selling prices. Accordingly, a lower proportion of the consideration is allocated to the loyalty programme, and therefore less revenue is deferred. The impact of these changes on items other than revenue is that revenue which was presented as deferred income earlier is now included, at a lower amount, in a new balance – i.e. contract liability against performance obligation.

For additional information about the Group's accounting policies relating to revenue recognition, see note 3(j).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

51 Change in significant accounting policies: (Continued)

The following table summarises the impact, net of tax, of transition to Ind AS 115 on retained earnings (cumulative effect) as on 01 April 2018.

(₹ in lacs)

Particulars	Note	Impact of adopting Ind AS 115 at 01 April 2018
Retained earnings		
Customer loyalty programme		192.89
Related tax	32	(67.40)
Impact at 01 April 2018	16(v)	125.49

The following tables summarise the impacts of adopting Ind AS 115 on the Group's consolidated statement of financial position as at 31 March 2019 and its consolidated statement of profit and loss and OCI for the year then ended for each of the line items affected. There was no material impact on the Group's consolidated statement of cash flows for the year ended 31 March 2019.

Impact on the consolidated statement of financial position as on 31 March 2019

(₹ in lacs)

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Total Assets	**197468.63**	**-**	**197468.63**
Equity			
Retained earnings	22888.41	(149.91)	22738.50
Others	40830.38	-	40830.38
Total equity	**63718.79**	**(149.91)**	**63568.88**
Liability			
Deferred tax liabilities (net)	12058.96	(80.52)	11978.44
Deferred income	-	1526.56	1526.56
Contract liabilities against performance obligation	1296.13	(1296.13)	-
Others	120394.75		120394.75
Total liabilities	**133749.84**	**149.91**	**133899.75**
Total equity and liabilities	**197468.63**	**-**	**197468.63**

Impact on consolidated statement of profit and loss and OCI for the year ended 31 March 2019

(₹ in lacs)

Particulars	As reported	Adjustments	Amounts without adoption of Ind AS 115
Revenue from operations	220802.43	(37.54)	220764.89
Other income	2674.89	-	2674.89
Total revenue	**223477.32**	**(37.54)**	**223439.78**
Total expenses	204680.91	-	204680.91
Profit before exceptional items, share of loss of equity accounted investees and tax	**18796.41**	**(37.54)**	**18758.87**
Exceptional items and Share of loss of equity accounted investees (net of income tax)	2142.93	-	2142.93
Net profit before tax	**16653.48**	**(37.54)**	**16615.94**
Tax expense	6513.68	(13.12)	6500.56
Other comprehensive income for the year, net of income-tax	(1015.33)	-	(1015.33)
Total comprehensive income for the period	**9124.47**	**(24.42)**	**9100.05**

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52 Acquisition of subsidiaries and non-controlling interests

See accounting policy in note 3(a).

Acquisition of subsidiaries

The Group incorporated a wholly owned subsidiary "HIL International GmbH", in Germany to acquire 100% stake in M/s. Parador Holdings GmbH, Germany ("Parador"), a manufacturer of flooring products. The Group has completed the acquisition process with effective date as 27 August 2018.

Control over Parador will enable the Group to modernise its production process through access to Parador's robust research and development activities. The acquisition is expected to provide the Group with an increased revenue share through access to Parador's customer base. The Group also expects to reduce costs through economies of scale.

For the period ended 31 March 2019, Parador contributed the revenue of ₹ 72613.53 lacs and a loss of 967.52 lacs to the Group's results. Management estimates that if the acquisition had occurred on 01 April 2018, consolidated revenue and consolidated profit for the year would have been ₹ 268343.79 and ₹ 8560.59, respectively. Management has determined these amount on the basis of that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 01 April 2018.

A. Consideration transferred

	₹ in lacs
The acquisition date fair value of consideration transferred in cash amounted to ₹ 43807.35 lacs	
Cash	43807.35

B. Acquisition-related costs

The Group incurred acquisition-related costs of ₹ 2115.73 lacs on legal fees, due diligence costs and other acquisition related costs. These costs have been shown as exceptional items in Consolidated Statement of Profit and Loss.

C. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

Particulars	₹ in lacs
Property, plant and equipment	35533.14
Capital work-in-progress	1306.58
Intangible assets	8094.92
Inventories	32026.59
Trade receivables	5589.21
Cash and cash equivalents	3078.09
Other liabilities (net)	(6458.26)
Borrowings	(29090.98)
Deferred taxes	(7740.54)
Trade payables	(11010.37)
Total net identifiable assets acquired	**31328.38**

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for the year ended 31 March 2019

52 Acquisition of subsidiaries and non-controlling interests (Continued)

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows.

Assets acquired	Valuation technique
Property, plant and equipment	*Market comparison technique and cost technique:* The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Intangible assets	*Relief-from-royalty method and multi-period excess earnings method:* The relief from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents or trademarks being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by excluding any cash flows related to contributory assets.
Inventories	*Market comparison technique:* The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

The trade receivables comprise gross contractual amounts due of ₹ 5807.35 lacs, of which ₹ 218.14 lacs, was expected to be uncollectable at the date of acquisition.

D. Goodwill

Goodwill arising from the acquisition has been determined as follows:

Particulars	Note	₹ in lacs
Consideration transferred	(A)	43807.35
Fair value of net identifiable assets	(C)	31328.38
Goodwill		**12478.97**

The goodwill is attributable mainly to the strong customer base, brand value and the synergies expected to be achieved from integrating the target into the Group's existing Standard business. None of the goodwill recognised is expected to be deductible for income tax purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

53 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

31 March 2019

(₹ in lacs)

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As Percentage of consolidated net assets	Amount	As Percentage of consolidated profit and loss	Amount	As Percentage of consolidated other comprehensive income	Amount	As Percentage of consolidated total comprehensive income	Amount
Parent								
HIL Limited	101.52%	64686.31	100.12%	10152.24	5.93%	(60.25)	110.61%	10091.99
Subsidiary								
HIL International GmbH	41.40%	26378.73	(0.13%)	(13.51)	94.07%	(955.08)	(10.62%)	(968.59)
Adjustment arising out of consolidation	(42.92%)	(27346.25)	0.01%	1.07	-	-	0.01%	1.07
Total	**100.00%**	**63718.79**	**100.00%**	**10139.80**	**100.00%**	**(1015.33)**	**100.00%**	**9124.47**

31 March 2018

(₹ in lacs)

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As Percentage of consolidated net assets	Amount	As Percentage of consolidated profit and loss	Amount	As Percentage of consolidated other comprehensive income	Amount	As Percentage of consolidated total comprehensive income	Amount
Parent								
HIL Limited	100.00%	56612.17	100.00%	8075.49	100.00%	(57.41)	100.00%	8018.08
Total	**100.00%**	**56612.17**	**100.00%**	**8075.49**	**100.00%**	**(57.41)**	**100.00%**	**8018.08**

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for the year ended 31 March 2019

54 Financial instruments - fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2019

(₹ in lacs)

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	734.38	-	-	-	734.38	-	734.38	-	734.38
Investments in equity instruments	7	-	46.75	-	-	46.75	-	-	46.75	46.75
		734.38	**46.75**	**-**	**-**	**781.13**	**-**	**734.38**	**46.75**	**781.13**
Financial assets not measured at fair value										
Trade receivables	8	-	-	13915.82	-	13915.82				
Loans	9	-	-	935.42	-	935.42				
Other financial assets	10	-	-	6548.37	-	6548.37				
Cash and cash equivalents	13	-	-	6415.69	-	6415.69				
Other bank balances	14	-	-	275.97	-	275.97				
		-	**-**	**28091.27**	**-**	**28091.27**				
Financial liabilities measured at fair value										
Derivative liabilities	19	95.78	-	-	-	95.78	-	95.78	-	95.78
		95.78	**-**	**-**	**-**	**95.78**	**-**	**95.78**	**-**	**95.78**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	60040.64	60040.64				
Trade payables	18	-	-	-	33525.78	33525.78				
Other financial liabilities	19	-	-	-	14081.36	14081.36				
		-	**-**	**-**	**107647.78**	**107647.78**				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

54 Financial instruments - fair values and risk management (continued)

A. Accounting classifications and fair values (Continued)

31 March 2018

(₹ in lacs)

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Derivative assets	10	4.09	-	-	-	4.09	-	4.09	-	4.09
Investments in mutual funds	7	12059.19	-	-	-	12059.19	12059.19	-	-	12059.19
Investments in equity instruments	7	-	37.00	-	-	37.00	-	-	37.00	37.00
		12063.28	**37.00**	**-**	**-**	**12100.28**	**12059.19**	**4.09**	**37.00**	**12100.28**
Financial assets not measured at fair value										
Trade receivables	8	-	-	9974.90	-	9974.90				
Loans	9	-	-	880.26	-	880.26				
Other financial assets	10	-	-	254.56	-	254.56				
Cash and cash equivalents	13	-	-	1094.24	-	1094.24				
Other bank balances	14	-	-	283.86	-	283.86				
		-	**-**	**12487.82**	**-**	**12487.82**				
Financial liabilities measured at fair value										
Derivative liabilities	19	-	-	-	-	-	-	-	-	-
		-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value										
Borrowings	17	-	-	-	6646.91	6646.91				
Trade payables	18	-	-	-	19630.49	19630.49				
Other financial liabilities	19	-	-	-	6086.46	6086.46				
		-	**-**	**-**	**32363.86**	**32363.86**				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

54 Financial instruments - fair values and risk management (continued)

B. Measurement of fair values

i. Valuation techinque and significant unobservable inputs

Derivative assets/ liabilities: The fair value is determined using forward exchange rates at the reporting date.

Investment in equity instruments: The fair value is determined based on the average of value determined as per discounted cash flows approach and intrinsic value per share as on the reporting date.

ii. Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2018-19 and no transfers in either direction in 2017-18.

iii. Level 3 fair values

(₹ in lacs)

Particulars	FVOCI Equity securities
Balance at 01 April 2017	33.50
Net change in fair value (unrealised)	3.50
Balance at 31 March 2018	**37.00**
Balance at 01 April 2018	37.00
Acquisition through business combination	0.35
Net change in fair value (unrealised)	9.40
Balance at 31 March 2019	**46.75**

Sensitivity analysis

For the fair values of FVOCI equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

(₹ in lacs)

Particulars	OCI, net of tax	
	Increase	Decrease
2018-19		
Annual growth rate (2.5% movement)	16.34	(8.17)
2017-18		
Annual growth rate (2.5% movement)	10.04	(5.27)

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

a) Liquidity risk

b) Market risk

c) Credit risk

i) Risk management framework

The Board of Directors of the Company have overall responsibility for the establishment and deployment of risk management framework. The Board of Directors have adopted a Risk Policy, which empowers the management to access and monitoring the risk management parameters along with action taken and the same is updated to Board of Directors.

The Group's risk management policies are established to identify and analyse the risks being faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

54 Financial instruments - fair values and risk management (continued)

C. Financial risk management (Continued)

The audit committee of the Company oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables). The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts reflect the principal amounts that are gross and undiscounted, and exclude the impact of netting agreements.

31 March 2019

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	6368.82	6875.62	1527.46	-	3992.35	1355.81
Sales tax deferment loan - unsecured	346.85	346.86	56.65	64.89	225.32	-
Term loan from banks	52026.61	61175.75	7917.72	9161.59	29066.07	15030.37
Working capital loan	8126.20	8126.20	8126.20	-	-	-
Trade payables	33525.78	33525.78	33525.78	-	-	-
Interest accrued	204.38	204.38	204.38	-	-	-
Capital creditors	465.47	465.47	465.47	-	-	-
Unpaid dividend	91.86	91.86	17.87	11.50	36.94	25.55
Security deposits	4812.49	4812.49	4812.49	-	-	-
Other financial liabilities	1679.32	1679.32	1679.32	-	-	-
	107647.78	**117303.73**	**58333.34**	**9237.98**	**33320.68**	**16411.73**
Derivative financial liabilities						
Derivative liabilities	95.78	95.78	95.78	-	-	-
	95.78	**95.78**	**95.78**	**-**	**-**	**-**

31 March 2018

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 Years	2-5 Years	More than 5 years
Non-derivative financial liabilities						
Interest free sales tax loan - secured	6300.06	6875.62	-	1527.46	3992.35	1355.81
Sales tax deferment loan - unsecured	377.19	377.19	30.34	56.65	285.22	4.98
Trade payables	19630.49	19630.49	19630.49	-	-	-
Capital creditors	487.58	487.58	487.58	-	-	-
Unpaid dividend	91.65	91.65	11.65	15.25	33.66	31.09
Security deposits	4737.99	4737.99	4737.99	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

54 Financial instruments - fair values and risk management (continued)

C. Financial risk management (Continued)

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 Years	2-5 Years	More than 5 years
Other financial liabilities	738.90	738.90	738.90	-	-	-
	32363.86	**32939.42**	**25636.95**	**1599.36**	**4311.23**	**1391.88**
Derivative financial liabilities						
Derivative liabilities	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**

iii) Market risk

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks.

a) Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currency for Company is INR (₹). The currencies in which these transactions are primarily denominated is US dollars, Euros, Swedish Krona, Pounds etc. The Group does not enter into any derivative instruments for trading or speculative purposes.

Currency risks related to the principal amounts of the Group's US dollar trade payables, taken out by Group, have been partially hedged using forward contracts that mature on or before the dates as the payables are due for repayment. These contracts are designated as derivatives.

Generally, borrowings are denominated in currencies that matter the cash flows generated by the underlying operations of the Group. In addition, interest on borrowings is denominated in the currency of the borrowing. This provides an economic hedge without derivatives being entered into and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary of data about the Group's exposure to unhedged currency risk (based on notional amounts) as reported to the management is as follows (including intercompany balances):

Particulars	As at 31 March 2019				As at 31 March 2018		
	Currency	Value in foreign currency	Exchange rate	Amount ₹ in lacs	Value in foreign currency	Exchange rate	Amount ₹ in lacs
Trade payables	US$	(2132132)	69.16	(1474.53)	(9326289)	65.18	(6078.88)
	EUR	(6870)	77.68	(5.34)	-	-	-
	SEK	(1199004)	7.47	(89.59)	-	-	-
	CHF	(692)	69.81	(0.48)	-	-	-
	DKK	(17381)	10.43	(1.81)	-	-	-
	GBP	(4331)	90.51	(3.92)	-	-	-
	PLN	(4141)	18.10	(0.75)	-	-	-
Trade receivables	US$	5740	69.16	3.97	51798	65.18	33.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2019

54 Financial instruments - fair values and risk management (continued)

C. Financial risk management (Continued)

Particulars	As at 31 March 2019				As at 31 March 2018		
	Currency	Value in foreign currency	Exchange rate	Amount ₹ in lacs	Value in foreign currency	Exchange rate	Amount ₹ in lacs
	GBP	198511	90.51	179.68	-	-	-
	SEK	1247494	7.47	93.21	-	-	-
	CHF	123242	69.81	86.03	-	-	-
Loan to subsidiaries	EUR	8750000	77.68	6797.00	-	-	-
Interest accrued on loan to subsidiaries	EUR	624658	77.68	485.23	-	-	-
Cash and bank balances	US$	168511	69.16	116.54	-	-	-
	GBP	118547	90.51	107.30	-	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR (₹), US dollar, Euro, etc against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in lacs)

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2019					
(1% movement)	US$	(13.54)	13.54	(8.81)	8.81
	EUR	72.77	(72.77)	47.34	(47.34)
	SEK	0.04	(0.04)	0.02	(0.02)
	CHF	0.86	(0.86)	0.56	(0.56)
	DKK	(0.02)	0.02	(0.01)	0.01
	GBP	2.83	(2.83)	1.84	(1.84)
	PLN	(0.01)	0.01	(0.00)	0.00
31 March 2018					
(1% movement)	US$	(60.45)	60.45	(39.53)	39.53

b) *Interest rate risk*

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Variable rate borrowings including current maturities	60152.81	-
Total borrowings	**60152.81**	**-**

Sensitivity

(₹ in lacs)

Particulars	Impact on profit and loss	
	31 March 2019	31 March 2018
1% increase in interest rate	(601.53)	-
1% decrease in interest rate	601.53	-

The interest rate sensitivity is based on the closing balance of term loans from banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2019

54 Financial instruments - fair values and risk management (continued)

C. Financial risk management (Continued)

iv) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade receivables :

Customer credit risk is managed by the respective department subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

(₹ in lacs)

Trade receivables	< 180days	>180 days	Provision	Total
31 March 2019	14004.72	1423.83	(1512.73)	**13915.82**
31 March 2018	9972.83	1316.23	(1314.16)	**9974.90**

The movement in the allowance for impairment in respect of trade receivables is as follows:

(₹ in lacs)

Particulars	31 March 2019	31 March 2018
Balance as at 01 April	1314.16	1513.06
Acquisitions through business combination	218.14	-
Amounts written off	(162.41)	-
Net remeasurement of loss allowance	142.84	(198.90)
Balance as at 31 March	**1,512.73**	1314.16

As per our Report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/ W-100024

for and on behalf of the Board of Directors of **HIL Limited**
CIN No.: L74999TG1955PLC000656

Vikash Somani
Partner
Membership No.: 061272

CK Birla
Chairman
DIN: 00118473

Dhirup Roy Choudhary
Managing Director and
Chief Executive Officer
DIN: 07707322

KR Veerappan
Chief Financial Officer

G Manikandan
Company Secretary and
Financial Controller

Place: New Delhi
Date: 27 May 2019

Place: New Delhi
Date: 27 May 2019

NOTICE OF THE 72ND ANNUAL GENERAL MEETING

Notice is hereby given that the 72nd Annual General Meeting of **HIL Limited** will be held on **Wednesday, the 24th day of July, 2019, at 3.00 PM at Asbestos Centre, Road No.13, Banjara Hills, Hyderabad - 500034, Telangana,** to transact the following business:

Ordinary Business

Item no. 1 : Adoption of Financial Statements (Standalone & Consolidated)

To receive, consider and adopt the financial statements (including consolidated financial statements) for the financial year ended March 31, 2019, together with the statement of profit & Loss and cash flow statement for the financial year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.

Item no. 2 : To confirm the payment of Interim Dividend and Declaration of Final Dividend

To declare final dividend of ₹ 12.50 per equity share and to confirm the interim dividend of ₹ 12.50 per equity share already paid for the financial year ended March 31, 2019.

Item no. 3 : Appointment of Mr. Desh Deepak Khetrapal (DIN: 02362633) as a Director liable to retire by rotation

To appoint a Director in place of Mr. Desh Deepak Khetrapal (DIN: 02362633), who retires by rotation and being eligible, offers himself for re-appointment

Special Business

Item no. 4 : To appoint Dr. Arvind Sahay (DIN: 03218334) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Arvind Sahay (DIN : 03218334), who was appointed as an Additional Director of the Company with effect from February 8, 2019, pursuant to Section 161 of the Act and Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from February 8, 2019 to February 7, 2024 and not liable to retire by rotation."

Item no. 5 : To appoint Mr. V. V. Ranganathan (DIN: 00060917) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. V. V. Ranganathan (DIN : 00060917), who was appointed as an Additional Director of the Company with effect from March 19, 2019, pursuant to Section 161 of the Act and Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Securities and Exchange Board of India Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from March 19, 2019 to March 18, 2024 and not liable to retire by rotation."

Item no. 6 : To reappoint Mrs. Gauri Rasgotra (DIN: 06862334) as an Independent Director of the Company for the second term in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Rules made thereunder, read with Schedule IV of the said Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company, Mrs. Gauri Rasgotra (DIN: 06862334), Independent Director of the Company has submitted a declaration that she meets the criteria for independence as provided in the Act and Securities and Exchange Board of India Listing Regulations, and who is eligible for re-appointment and in respect of whom based on evaluation of performance, the Nomination and Remuneration cum Compensation Committee has recommended her reappointment to the Board, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from May 8, 2019 to May 7, 2024 and not liable to retire by rotation."

Item no. 7 : To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2020

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder and subject to all other approvals, if any required, the Company be and is hereby authorized to pay an amount of ₹ 7.00 Lacs plus other applicable taxes and actual travel, stay, conveyance and other miscellaneous expenses as remuneration payable to S. S. Zanwar & Associates, Cost Accountants in practice (Registration No. 100283), who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2020.

Dated: **May 27, 2019**
Place: New Delhi

By Order of the Board
For **HIL Limited**

G Manikandan
Company Secretary &
Financial Controller
M. No. A36405

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Item no. 4 :

The Board of Directors, on the recommendation of Nomination and Remuneration cum Compensation Committee, appointed Dr. Arvind Sahay as an Additional Director (Indepdent Director) of the Company, with effect from February 8, 2019 under Sections 149, 150 and 152 of the Companies Act, 2013 and Articles of Association of the Company. Dr. Arvind Sahay shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director.

The Company has received notice under Section 160 of the Companies Act, 2013 from Dr. Arvind Sahay signifying his candidature as an Independent Director of the Company. The Company has also received a declaration of independence from Dr. Arvind Sahay. In the opinion of the Board, Dr. Arvind Sahay met the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and Securities and Exchange Board of India Listing Regulations, of being eligible for appointment as an Independent Director. Dr. Arvind Sahay is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

A brief profile of Dr. Arvind Sahay, including nature of his expertise is as follows:

Dr. Arvind Sahay is Bachelor of Technology (Chemical Engineer) form Indian Institute of Technology, Kanpur, Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad and PH.D from University of Texas at Austin.

Dr. Arvind Sahay is a faculty at IIMA and was previously associated with London Business School. His primary areas of interest includes marketing strategy, pricing, neuroscience and consumer behaviour, brand management, high tech marketing, international trade and investment.

Dr. Arvind Sahay is the recipient of the University Wide Outstanding Dissertation Award from the University of Texas at Austin (for his Ph.D thesis), the Innovation in Teaching Award at London Business School and of the Dewang Mehta Best Teacher Award in Marketing Management and the UTV Bloomberg Best Marketing Professor in India. He was also nominated to the Thinkers50 India list by the Institute of Competitiveness, Harvard Business School.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Dr. Arvind Sahay as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Arvind Sahay as an Independent Director for period upto 5 (five) consecutive years with effect from February 8, 2019 to February 7, 2024 for the approval by the members of the Company.

Details of Directors seeking reappointment as per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 is forming part of the Corporate Governance Report.

Except Dr. Arvind Sahay, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no. 4 of the Notice.

This Explanatory Statement together with the accompanying Notice of the Annual General Meeting may also be regarded as a disclosure under Regulation 36(3) of the Securities and Exchange Board of India Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI. For detailed information please refer to the Corporate Governance Report and Profile of Directors forming part of this Report.

The Board recommends the Ordinary Resolution set out at Item no. 4 for the approval of members.

Item no. 5 :

The Board of Directors, based on the recommendation of Nomination and Remuneration cum Compensation Committee, appointed Mr. V. V. Ranganathan as an Additional Director (Independent Director) of the Company, with effect from March 19, 2019 under Sections 149, 150 and 152 of the Companies Act, 2013 and Articles of Association of the Company. Mr. V. V. Ranganathan shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director.

The Company has received notice under Section 160 of the Companies Act, 2013 from Mr. V. V. Ranganathan signifying his candidature as an Independent Director of the Company. The Company has also received a declaration of independence from Mr. V. V. Ranganathan. In the opinion of the Board, Mr. V. V. Ranganathan met the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and Listing Regulations, of being eligible for appointment as an Independent Director. Mr. V. V. Ranganathan is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

A brief profile of Mr. V. V. Ranganathan, including nature of his expertise is as follows:

Mr. V. V. Ranganathan is an accomplished finance professional with over 40 (fourty) years of variegated experience in India and overseas. Mr. V. V. Ranganathan graduated in commerce with a gold medal and qualified as a Chartered Accountant and was later admitted as a fellow member of the Institute of Chartered accountants of India (ICAI, Delhi). Mr. V. V. Ranganathan was also admitted as a member of other professional bodies while serving professional services firms.

Mr. V. V. Ranganathan was a Senior Partner and Country Head for Quality & Risk Management as well as on the governing board of one of the leading big four global services firms and now serves on the boards of companies.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. V. V. Ranganathan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. V. V. Ranganathan as an Independent Director for period upto 5 (five) consecutive years with effect from March 19, 2019 to March 18, 2024 for the approval by the members of the Company.

Except Mr. V. V. Ranganathan, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of the Notice.

This Explanatory Statement together with the accompanying Notice of the Annual General Meeting may also be regarded as a disclosure under Regulation 36(3) of the Securities and Exchange Board of India Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI. For detailed information please refer to the Corporate Governance Report and Profile of Directors forming part of this Report.

The Board recommends the Ordinary Resolution set out at Item no. 5 for the approval of members.

Item no. 6 :

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (five) consecutive years on the Board of a Company but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5 (five) consecutive years on the Board of a Company.

The Members of the Company at the Annual General Meeting held on July 18, 2014 had approved the appointment of Mrs. Gauri Rasgotra (DIN: 06862334) as an Independent Directors for a period of 5 years commencing from May 8, 2014 till May 7, 2019.

Based on the performance evaluation and recommendation of Nomination and Remuneration cum Compensation Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and the Securities and Exchange Board of India Listing Regulations, and as per Articles of Association of the Company, Mrs. Gauri Rasgotra is eligible for re-appointment as an Independent Director and had offered herself for re-appointment and the Board of Directors recommends the proposal to re-appoint her as an Independent Director for further period of 5 years i.e from May 8, 2019 to May 7, 2024.

In the opinion of the Board, Mrs. Gauri Rasgotra fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Securities and Exchange Board of India Listing Regulations for re-appointment as an Independent Director of the Company and are independent of the management.

A brief profile of Mrs. Gauri Rasgotra, including nature of her expertise is as follows:

Mrs. Gauri Rasgotra has a rare combination of advisory and litigation experience of 27 years in both academic and corporate settings. She managed the litigation of some landmark cases such as the right of citizens to fly the national flag and reviving Satyam under new management after the largest ever corporate scam in India. She is also representing the new directors of IL&FS in the recent crisis being faced by the company. She has also advised International Finance Corporation on Indian laws with regard to a lawsuit filed in the US. She is advising the Committee of Administrators appointed by the Supreme Court regarding implementation of reforms in BCCI. She has also advised the RP in the resolution process of Essar Steel India ltd and ICICI bank in the challenge to the CIRP process of Innoventive Industries. Mrs. Gauri Rasgotra also worked in the US at the George Washington University Law School in Washington D.C. where she was selected to be the first Director of the school's newly established India Studies Center between 2007 & 2009. Mrs. Gauri Rasgotra is an independent director on the Boards of two prominent public listed companies in India. She is a member of the ICC India Arbitration Group and the ICC India nominee on the ICC Commission on Arbitration and ADR. She is also a member of SIAC Users Council – India.

A copy of the draft Letter of Appointment for Mrs. Gauri Rasgotra is available for inspection at the Registered Office of the Company during business hours on any working day. The Board considers that association of the Mrs. Gauri Rasgotra would be of immense benefit to the Company considering her expertise and experience and it is desirable to avail the services of Mrs. Gauri Rasgotra.

This Explanatory Statement together with the accompanying Notice of the Annual General Meeting may also be regarded as a disclosure under Regulation 36(3) of the Securities and Exchange Board of India Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI. For detailed information please refer to the Corporate Governance Report and Profile of Directors forming part of this Report.

The Board recommends the Special Resolution set out at Item no. 6 for the approval of Members.

Item no. 7 :

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Board of Directors of your Company, at their meeting held on May 27, 2019, based on the recommendation of the Audit Committee, appointed S. S. Zanwar & Associates as Cost Auditors of the Company to conduct audit of cost records of the Company for the products covered under the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2019-20, at a remuneration of ₹ 7.00 Lacs plus other applicable taxes and actual travel, stay, conveyance and other miscellaneous expenses.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item no. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board of Directors, in the interest of the Company, recommends the Ordinary Resolution set out at Item no. 7 of the Notice for approval by the shareholders.

Dated: **May 27, 2019**
Place: New Delhi

By Order of the Board
For **HIL Limited**

G Manikandan
Company Secretary &
Financial Controller
M. No. A36405

NOTES:

1. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013 ("Act") setting out material facts concerning the special business to be transacted at the Annual General Meeting ('AGM') are annexed hereto.

2. The relevant details as required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Securities and Exchange Board of India Listing Regulations"), of the person seeking re-appointment are also annexed.

3. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this report.

4. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send

to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.

5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

6. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

8. All relevant documents referred to in the accompanying Notice under Section 102 of the Act and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.

9. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, July 18, 2019 to Wednesday, July 24, 2019** (both days inclusive), for annual closing and determining the entitlement of the shareholders to the final dividend for the year ended March 31, 2019.

10. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched by **Monday, July 29, 2019** to those members whose names shall appear on the Company's Register of Members as on book closure date and in respect of the shares held in dematerialized form, the dividend will be paid to the members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on the close of business hours on **Wednesday, July 17, 2019.**

11. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.

12. The Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018.

13. The Securities and Exchange Board of India (Securities and Exchange Board of India) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018 by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

14. The Securities and Exchange Board of India (Securities and Exchange Board of India) vide their Circular No. Securities and Exchange Board of India/HO/ MIRSD/ DOP1/ CIR/P/2018/73 dated 20.04.2018 has mandated that the following details of Shareholders must be updated with the Registrar and Share Transfer Agent (RTA) i.e **Folio No., DPID/Client ID, Name of the first securities holder, Payee details, Bank name, Bank account, Bank branch of the holder of securities, MICR** number and instructed the RTA's, Banks and Companies not to issue physical dividend warrants without bank details.

    Members are requested to avail the Electronic Clearing Service (ECS) facility for receiving dividend. Shareholders are requested to update the same with RTA and avoid withhold of dividends or transfer of dividends to Unpaid/ IEPF account.

15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

16. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

17. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

18. Members holding shares in electronic form may submit the same to their respective depository participant.

19. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant rules issued thereunder, Companies can serve Annual Reports and

other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a greener environment. This is a golden opportunity for every shareholder of HIL to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500018. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.

20. Copies of the Annual Report 2018-2019 are being sent by electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2018-2019 are being sent by the permitted mode.

21. In accordance with the provisions of Section 72 of the Companies Act, 2013, Members are entitled to make nominations in respect of the Equity Shares held by them, in physical form. Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500018 and have it duly filled and sent back to them.

22. Members wishing to claim dividends, which remain unclaimed are requested to correspond with Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500018 (email: info@vccilindia.com) Tel: 040-23818475/76; Fax: 040-23868024.

23. In compliance with the provisions of Section 108 of the Act and the rules framed thereunder, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.

24. The facility for voting through electronic voting system or ballot or polling paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.

25. The Notice of the 72nd Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

26. Members may also note that the Notice of the 72nd Annual General Meeting and the Annual Report 2018-19 will be available on the Company's website www.hil.in.

27. The board of directors has appointed Mr. Mohit Gurjar, (CP No 18644, and Membership No. 20557) of P.S. Rao & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

28. The facility for voting, through polling paper shall also be made available at the Annual General Meeting and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting.

29. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

30. All the Shareholders are informed that the shares, wherein the dividend(s) remains unclaimed from the financial year 2011-12 for a period of seven consecutive years, will be transferred to IEPF or IEPF Suspense Account and are requested to claim their unclaimed dividends by writing to the Company or RTA.

31. The instructions for e-voting are as under:

    a. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 72nd Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

    b. The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

c. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

d. The remote e-voting period commences on **July 20, 2019 (9:00 am) and ends on July 23, 2019 (5:00 pm).** During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **July 17, 2019** may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. **Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members hold shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'

      i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of Company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **mohitkamdar@yahoo.co.in** with a copy marked to **evoting@nsdl.co.in**

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

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 and Address of the Shareholder(s)..

Email Id: .... Folio No./ Dpid & Client Id:...

I/We being the member(s) of ....Shares of HIL Limited, herby appoint.

1. Name: ....Email Id: ....

Address: ....

Signature: ....Or falling him

2. Name:...Email id: ....

Address: ....

Signature: ....Or failing him

3. Name: ....Email Id: ....

Address: ....

Signature: ....

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 72nd Annual General Meeting of the Company at Asbestos Centre, Road No.13, Banjara Hills, Hyderabad – 500 034. Telangana at 3.00 pm on Wednesday, July 24, 2019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolution	Vote (Optional, See Note no 3 below)	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements (Standalone & Consolidated)		
2	To confirm the payment of Interim Dividend and Declaration of Final Dividend		
3	Appointment of Mr. Desh Deepak Khetrapal (DIN: 02362633) as a Director liable to retire by rotation		
Special Business			
4	**Ordinary Resolution** To appoint Dr. Arvind Sahay (DIN: 03218334) as an Independent Director of the Company		
5	**Ordinary Resolution** To appoint Mr. V. V. Ranganathan (DIN: 00060917) as an Independent Director of the Company		
6	**Special Resolution** To reappoint Mrs. Gauri Rasgotra (DIN: 06862334) as an Independent Director of the Company		
7	**Ordinary Resolution** To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2020		

Signed this .... day of 2019

Signature of Shareholder .... Signature of Proxyholder(s)................................

NOTES:

1. This form in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. Those members who have multiple folios with different joint holders may use copies of this Proxy.
3. It is optional to indicate your preference. If you leave the “for” or “against” column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem

INTENTIONALLY LEFT BLANK

HIL LIMITED

Regd. Off: office No 1 & 2, L7 Floor, SLN Terminus, Survey no 133,
Near Botanical Gardens, Gachibowli, Hyderabad- 500032, Telangana
Tel: 040-68249000 Website: www.hil.in
CIN: L74999TG1955PLC000656

ATTENDANCE SLIP

Name and Address of the Shareholder(s):
(Including Joint holders, if any)

Registered Folio no. / DP ID & Client ID:

Number of Share held:

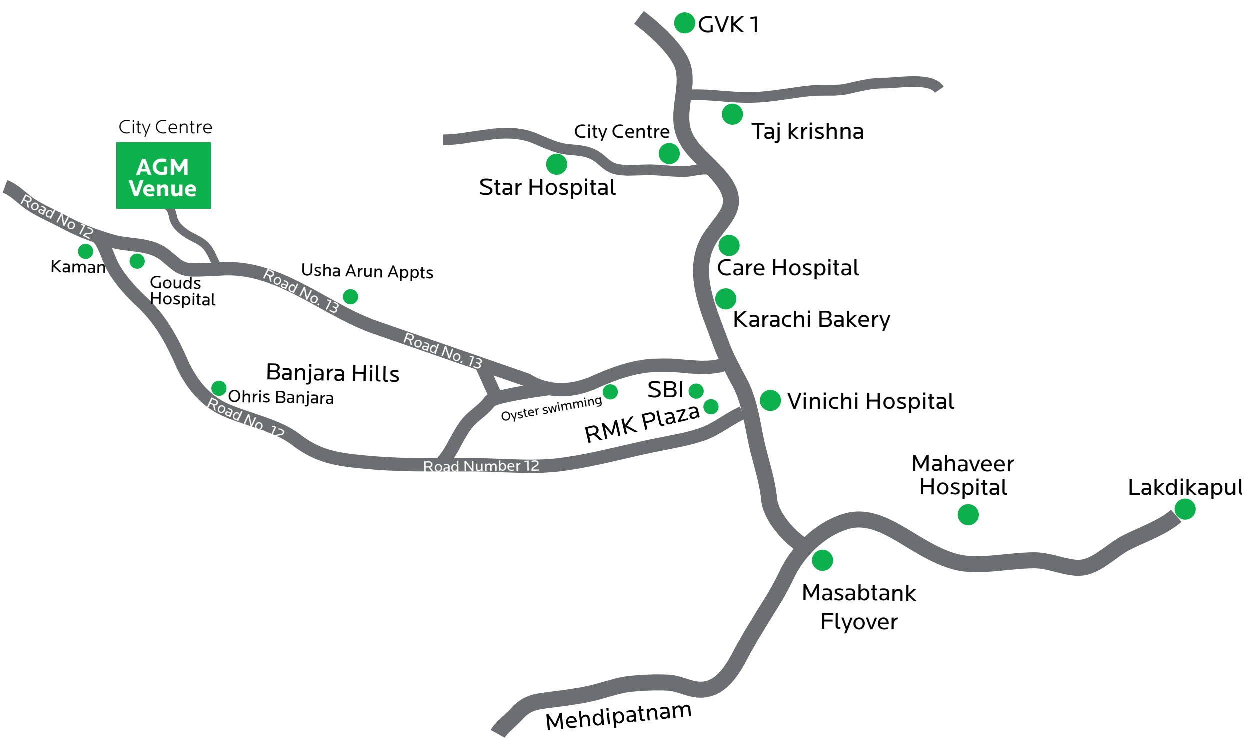
I / We hereby record my presence at the 72nd Annual General Meeting of the Company held on Wednesday, July 24, 2019 at 3.00 pm at Asbestos Centre, Road No.13, Banjara Hills, Hyderabad – 500034, Telangana or at any adjournment thereof in respect of such resolutions as mentioned in the Notice.

....
Name of the Registered Holder / Proxy /
Authorized Representative
(IN BLOCK LETTERS)

....
Name of the Registered Holder / Proxy /
Authorized Representative

NOTE: Please fill up this attendance slip and hand it over at the entrance of the Meeting hall, members are requested to bring their copies of the Annual Report at the Annual General Meeting.

Route map to AGM Venue



Note: Pickup facility will be available at the beginning of Road No. 13, Banjara Hills, Hyderabad from 2.00 p.m. onwards.

Please scan the QR code on your smartphone for directions on Google Maps

CHARMINAR | CHARMINAR Fortune | BIRLA AEROCON | BIRLA HIL PIPES & PUTTY | PARADOR

Disclaimer

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forwardlooking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the abovementioned circumstances, we can provide no warranty regarding the correctness, completeness, and upto-date nature of information taken, and declared as being taken, from third parties, as well as for forwardlooking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

TOGETHER, WE BUILD.

HIL Limited

Office 1 & 2, SLN Terminus, 7th floor
Near Botanical Garden, Gachibowli, Hyderabad
500032, Telangana, India
+91 40 30999000 | www.hil.in