

Date: July 2, 2021

To The Department of Corporate Services –CRD Bombay Stock Exchange Ltd P.J.Towers, Dalal Street MUMBAI – 400 001	To National Stock Exchange of India Limited 5 <sup>th</sup> Floor, Exchange Plaza Bandra (E), MUMBAI – 400 051
<b>Scrip Code: 509675/HIL</b>	<b>Scrip Symbol: HIL</b>

Dear Sir/Madam,

**Sub: Annual Report & Annual Accounts for Financial Year 2020-21 of HIL Limited ('Company')**

This is in furtherance to our letter dated July 1, 2021 wherein we had informed that the 74<sup>th</sup> Annual General Meeting ('AGM') of the Company will be held on **Friday, July 30, 2021 at 3:00 PM** (IST) via two-way Video Conference/Other Audio-Visual Means only, in accordance with the General Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 and the Securities and Exchange Board of India Circulars dated May 12, 2020 and January 15, 2021.

Please find enclosed herewith the 74<sup>th</sup> Annual Report of HIL Limited for the Financial Year 2020-21 along with the Notice of the 74<sup>th</sup> AGM. The Annual Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

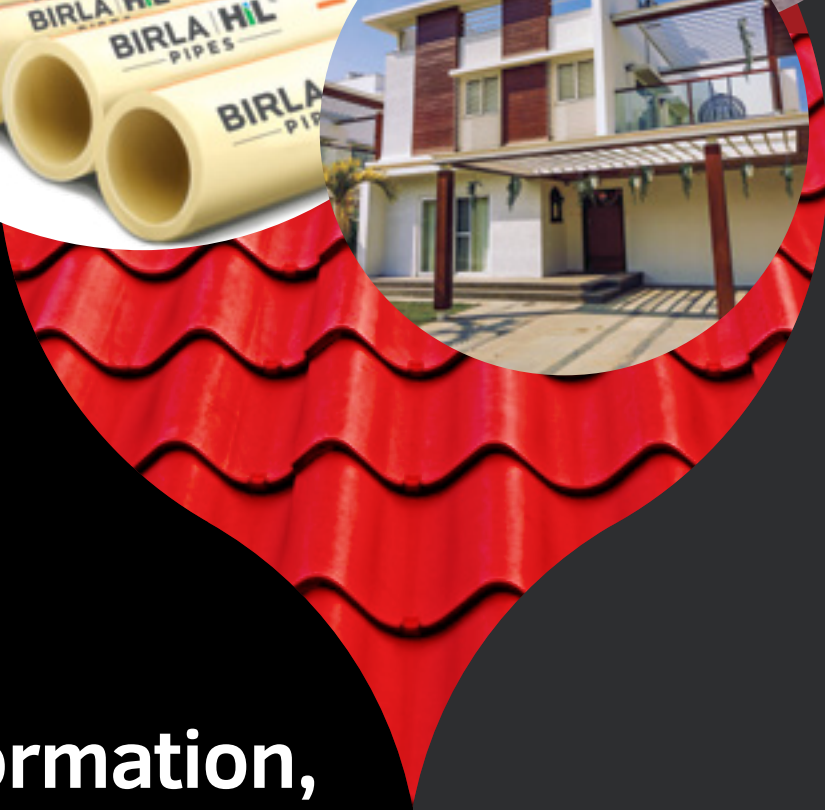
The Annual Report is available on the website of the Company at <https://hil.in/wpcontent/uploads/2021/06/74-Annual-Report-HIL-Limited.pdf>

This is submitted pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Kindly take the same on record and do the needful.

Thanking you  
For HIL LIMITED

Mahesh Thakar  
Company Secretary &  
Head of Legal



# Driving Transformation, Globally




Scan for a digital copy of this Report



#### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

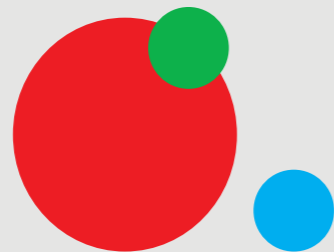
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Over the past year, the world has faced unimaginable hardships. From witnessing massive challenges to humanity due to the COVID-19 pandemic to seeing businesses reeling under tremendous pressure, the challenges were much beyond anything our generations have ever witnessed.

Amidst these extremely challenging circumstances, HIL learnt to be resilient. Relying on our inherent capabilities and our indomitable spirit, we rose above several hardships to ensure business continuity as well as lend a helping hand to those in need. With an overarching determination to tide through the crisis, we stood by our people, offered support to families dependent on us and fulfilled our commitment to enable the holistic development of everyone associated with HIL.

This year has been a great opportunity for HIL to re-imagine and redefine the business model and move towards a much leaner and efficient organization. Transformation is the key to unlock opportunities, drive efficiencies and deliver growth. We realized that incremental improvement alone does not suffice means to greater goals. Rather, agile inventions and continuous adaptation to new norms prepare us for sustained progress and development.



From rapidly adopting the 'New Normal' to adjusting business dynamics, what remained constant was our urge to transform and create breakthrough value and reimagine our future. Backed by the enduring legacy of the group over the years we have built an impeccable reputation of being a one-stop building materials solutions provider known for its superior products and services of being a **green one-stop solutions** building material solution organization known for superior quality products.

At HIL, we have also been a staunch advocate of environmentally sustainable solutions. To keep our promise of

minimising our impact on the ecosystem, we are constantly aspiring to design and deliver products that meet the needs of a sustainable world. Moreover, our overarching focus on community development remains at the core of HIL's current and future policies, targeted at uplifting the lives of the underprivileged.

At HIL, we believe in shaping bold ambitions with proactive measures. We are, therefore, consistently redefining our purpose, responding to evolving market demands and implementing strategies to drive transformation and secure our presence as a truly global entity.

# CK Birla Group

The CK Birla Group is a diversified US \$2.4 billion conglomerate with a global presence and a history of enduring relationships with renowned global companies.

With over 30,000 employees, 44 manufacturing facilities and numerous patents and awards, the Group's businesses are present across five continents. The Group operates in three industry clusters: technology and automotive, home and building, and healthcare and education.

The group companies are strengthened by shared guiding principles that include focus on long-term value creation, trust-based relationships and spreading joy within the communities in which we operate. Each business is transforming to build on the collective strengths of the Group and a shared vision to create value in line with the rapidly changing needs of customers, partners and communities in the twenty-first century.



Over  
**US\$2.4 billion**  
Conglomerate



Over  
**30,000**  
Employees



Present across  
**Five**  
Continents



Focus on  
**Long-term Value  
Creation**

# Chairman's Message



The bold and adaptive business model of our company enabled us to emerge stronger from the crisis.

CK Birla  
Chairman

## Dear Shareholders,

For more than a year now, the world has been in the grip of a crisis in the form of the COVID-19 pandemic.

The impact is there for all of us to see; lockdowns across the world, disruption of global supply chains and loss of economic activity, a social crisis precipitated by the loss of life and livelihood for millions of people, shrinkage in demand and consumption across industries. In other words, a catastrophe of gigantic proportions.

Against this backdrop of disruption and loss, I am happy to see the spirit and resilience of our people and our organization as manifested by the highest ever sales and profitability in

the history of our business. What could have been our biggest setback, has turned into our best year ever. The bold and adaptive business model of our company enabled us to emerge stronger from the crisis. Our efforts over the last few years of de-risking by diversifying our product portfolio and enhancing our technology adoption are the key reasons for our robust results.

Our environmentally conscious practices and technologically advanced products continue to augment our position as pioneers and leaders in the industry. We are resolute in our endeavor to keep up our strong performance, and to keep creating long-term value for our stakeholders. Your

continued trust in HIL allows us and our 5000+ employees to continue to build a better place for people around the world and a stronger HIL.

I commend the spirit of each member of the HIL family for staying true to our values and to our vision and for being the engine that powers HIL's growth and success.

I look forward to another successful year ahead and I also hope that each one of you and your families continue to stay safe.

CK Birla  
Chairman

# HIL at a Glance



**5000+**

Employees



**80+**

Countries of presence

## India



**70+**  
YEARS

Of rich legacy and strong brand presence



**22**

Factories



**4**

Renowned brands



**23**

Products



**6000+**

Dealer / Distributor network



**1**

R&D Centre

## Abroad



**2**

Factories in Germany & Austria



**1**

Joint venture in China



**4**

Product categories



**1**

Renowned brand



**1**

R&D Centre



Amongst the building materials companies to venture into end to end automation through Industry 4.0

Planted 1,00,000+ trees in over 105 countries as part of plant-for-the-planet initiative

In the Industry to have Environment, Health and Safety wing to monitor health of each employee

In the industry to have a home-grown green roofing solution

In the industry to have state-of-the-art research centre to continuously develop latest technology products

**First**

# HIL at a Glance



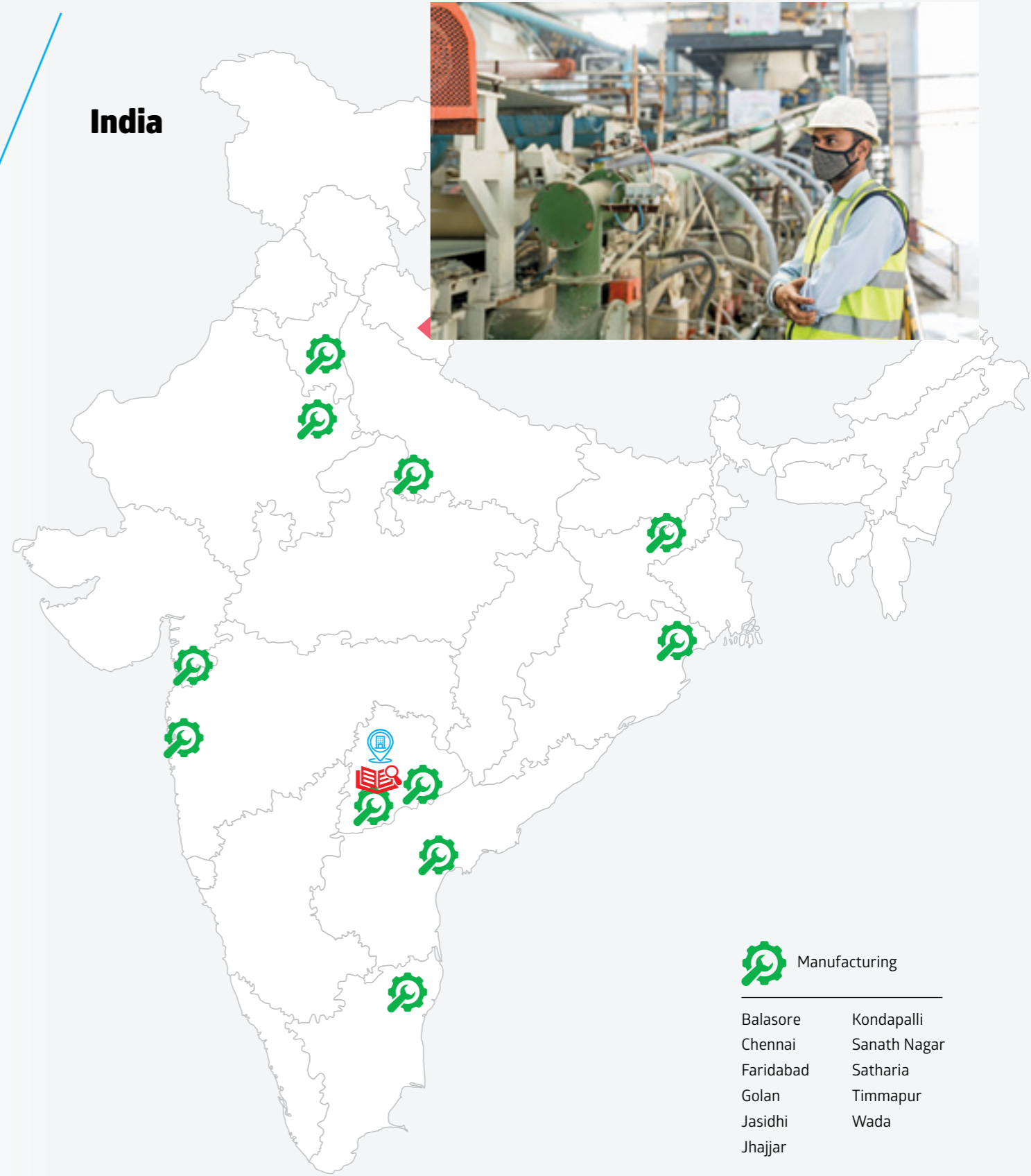
Germany




Austria




## India



 Manufacturing

- Balasore
- Chennai
- Faridabad
- Golan
- Jasidhi
- Jhajar
- Kondapalli
- Sanath Nagar
- Satharia
- Timmapur
- Wada

 Group Corporate Office:  
Hyderabad

 R&D presence



# Managing Director and CEO's Message

## Dear Shareholders,

I hope each of you are keeping safe and in good health. 2020 was a year like none before and we, as global citizens, needed to fight the coronavirus by diligently following precautionary measures in letter and in spirit.

The year 2021 commenced with hopes of vaccination-backed recovery and fears of resurgent waves of infections. Amidst uncertainties, policy interventions through fiscal support and liquidity infusion by governments have met with significant success to keep global economies afloat.



During fiscal year 2020-21, the Company recovered significantly after operations resumed in May 2020. In addition to keeping the employees safe and on the job, the Company continued to serve its customers and delivered strong financial performance and solid returns for investors, evident in the double-digit year-on-year growth across key parameters.

While the recession caused by the pandemic slowed down the general economy, the Company adopted various strategic, bold and timely initiatives such as digital connect with customer acquisition and precision lead management through heat maps to effectively fulfil market demand. From the Company's operational perspective, zero based planning, daily huddle meets and daily cash flow monitoring created a strategic moat for exigencies.

Profitability, measured by EBITDA, (from continuing operations) stood at ₹ 427 crore during fiscal year 2020-21, recording a staggering 63% growth year on year, against ₹ 262 crore registered in the previous fiscal year 2019-20. The Company's net income, excluding the income from discontinued operations, for fiscal year 2020-21 was ₹ 214 crore, up by 116% percent from ₹ 99 crore in the previous year. The corresponding figure, including the gains from the sale of discontinued operations stood at ₹ 260

crore during the fiscal year ended March 2021. The net revenue increased by 19% in fiscal year 2020-21 to ₹ 3044 crore, as compared to ₹ 2555 crore (from continuing operations) in the previous fiscal year.

Despite uncertainties, the Company decreased its financial costs by significantly cutting down its long-term bank borrowings, including the full repayment of the debt taken in India for the acquisition of Parador. The debt-to-equity ratio reduced by nearly 60% to 0.41x by the end of March 2021. The company's financial performance allowed it to make further investments in technology-enabled products and services and growth-oriented projects.

The Company's net worth increased by 34% to ₹ 995 crore by the end of March 2021 against a corresponding figure of ₹ 743 crore by the end of March 2020. Consequently, the Earnings per share for the full year from continued operations was ₹ 286.12, representing a solid growth of 116%, in agreement with our commitment to maximize value for our investors.

In the past 4 years, the Company has constantly aligned its organizational objectives towards becoming a one-stop building materials solutions provider and achieve a dream revenue of USD 1 billion by 2025-26. Between fiscal year 2015-16 and fiscal year 2020-21, the Company

During the period 2016-21, the Company increased its employee engagement score from 54 to 86.

trimmed its working capital as a percentage of revenue aggressively, implemented a digital roadmap for a lean and efficient workplace, and significantly improved employee engagement score.

Adhering to the strategic framework, the Company has subsequently reduced its dependence on the asbestos business to less than 30%. The Parador acquisition has catapulted our growth trajectory, got a global footprint in 80+ countries and reiterated our capability to deliver smart and reliable solutions to our customers.

The people associated with our organization, our employees and business partners, are the cornerstone of the Company's success. The Company provides an ecosystem of opportunity and

learning across its verticals and enables its people to realize their potential. During the period 2016-21, the Company increased its employee engagement score from 54 to 86. Furthermore, the Company's work culture has been consistently recognized by the Great Places to Work Institute ranking us 55th amongst the Top 100 best Workplaces in India and the Best Company in Cement and Building Materials Industry in India.

As the COVID-19 outbreak posed multiple hurdles for employees and their families, the Company facilitated the delivery of essentials such as PPE kits, round-the-clock doctor facility for counselling sessions, hospital support, COVID insurance and financial assistance including a one-time allowance for covering

the domiciliary medical expenses. The interventions were carefully monitored by the response teams at the central and local levels, working day and night.

On behalf of the Company, I extend my gratitude to our COVID warriors who are constantly putting their lives at risk and working tirelessly to keep us safe. I also appreciate the global health community who have relentlessly worked to ensure the availability of critical drugs, vaccines and medical equipment for patients.

I would like to take this opportunity to express my sincere appreciation to all our stakeholders, for their continued interest, faith and encouragement for HIL. I am also extremely grateful to all our business partners,

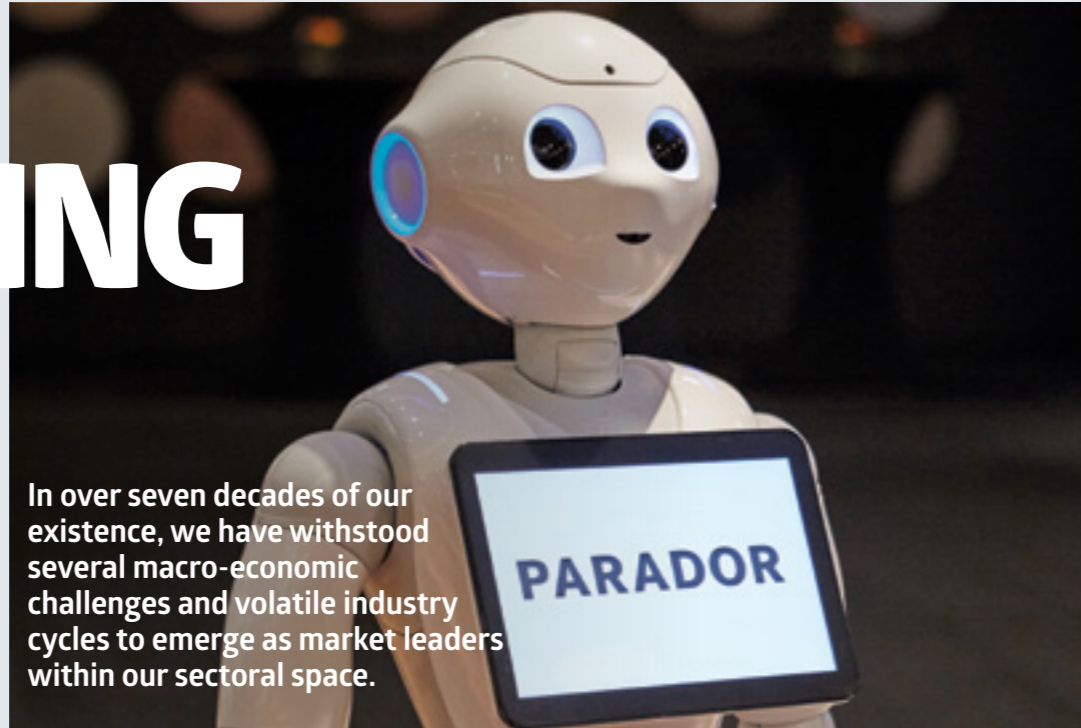
vendors, other business associates and all our bankers for their support and contributions over the years. A big thank you to all our Employees, team members and their families, whose passion, commitment and hard work, has kept us afloat even during these tough times. I look forward to your continued support to achieve our aspirations and goals. Together, We Build!

Thank You!

**Dhirup Roy Choudhary**  
Managing Director and CEO

# DRIVING

We continue to strive towards our vision to emerge as a leading global, innovative and eco-friendly building and infrastructure solutions company.



In over seven decades of our existence, we have withstood several macro-economic challenges and volatile industry cycles to emerge as market leaders within our sectoral space.



Our transformation story spread to 80 countries as we widen our market presence and increase our agility.

With sustained investments into building our capabilities, we are now a global player, fueling growth with sustainable value creation.

# GLOBALLY



Over the years, we have evolved, our business model to expand our offerings keeping abreast with changing consumer needs.

# TRANSFORMATION

Today, our customers rely on us for most reliable and quality-driven industrial and building materials.

# Managing COVID-19

A COVID-19 taskforce comprising of multiple teams, across verticals, were created in March 2020. A total of 10 teams were formed and made responsible for immediate resolution and mitigation of business continuity risk, while prioritizing employee health, safety and protecting business growth.

The teams got together to redefine and reimagine HIL, in order to evolve into an innovative and values driven organization.



## 01 The Alpha

To re-imagine HIL 2.0 post COVID situation while continuing to build "OneHIL"

## 02 Code Blues

To monitor health and safety of employees and their families

## 03 Cash Cows

To ensure liquidity at all times

## 04 Sales Ninjas

To ensure effective digital connect with customers

## 05 The Value Props

Think radically to enhance productivity, reduce costs and work towards Lean factory

## 06 Supply Trojans

**Procurement:** To ensure business continuity and continuous supplier connect

**Logistics:** To ensure availability of vehicles (& drivers) post lock-down

## 07 The Growth Hackers

To ensure efficiency as well as smooth and secure connectivity at all times

## 08 The Mavericks

Continuously enhance skills within the organization

## 09 The Snippetors

To enhance communication through regular engagement with all stake-holders, using various mediums, during lock-down

## 10 Code Black

To ensure a seamless and compliant resurrection of Plants, Depots and Sales operations in pandemic scenario

## Managing COVID-19

The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge.

- Martin Luther King, Jr.

COVID-19 Pandemic is the biggest challenge mankind has faced in the last several decades, with nearly the whole world going into a lockdown for a good part of 2020. Even with vaccines and a better understanding of the disease, the world is still dealing to come to terms with the new normal. Innumerable challenges were faced by people and business alike. At HIL, we have tried to give back to the society as much as possible while continuing to add values to our stakeholders in our growth journey.

### Staying Connected

Employee safety remains critical to our business sustainability. As an organization, we are focused towards providing all the support to the employees and families in the challenging times of COVID-19. Medical teams services were available 24x7 during both waves of COVID. We conducted several engagement sessions through virtual mode, keeping them motivated and safe.

### Vaccination Drive

Aligned to the Union Government's plan of vaccinating all the citizens of the nation, we partnered with leading private hospital in the regions of our presence to conduct vaccination camps at our offices. As an organisation that 'cares', we are providing vaccine to all the employees and their families.

### Strategically Mitigating Risks

We constantly monitored the COVID-19 situation and made decisions that ensured business continuity. Some of them being:

- Concentrating on the Tier II and Tier III cities with a strong focus on rural area where infrastructure development picked up faster with the economy slowly opening
- Modification of sales strategy for Parador, with Do it Yourself (DIY) practices and E-business, where we safely provided deliveries to customers.
- Prudent cash flow management, with modified credit terms with customers and suppliers, implementing cost-optimisation measures
- Focusing and implementing digital transformation across verticals

Vaccination drive conducted at corporate office for employees and their families



### IT'S OUR TURN TO SERVE YOU NOW

2020 was an unprecedented year for everyone across the world. An unseen enemy wreaked havoc and left us gasping for air, 2021 has been no less difficult and we stand firm on our principles and encourage the importance of having good health and family always by our side.

We have extended our support to our employees by taking special insurance for COVID hospitalization, over and above the existing medical policy. If an employee is affected by COVID-19, we are providing one-time financial assistance and if a family member is affected, 5 days "Caregiving Leave" is being provided to the employee.

Nothing can replace the loss of life. For those of our employees who have succumbed to this viral infection, we pledge our support in the following ways to their spouse and children:

- Forty (40) times of monthly basic salary of the employee.
- Extension of Medical Insurance for a period of 2 years for spouse and dependent children (up to 25 years of age).
- Employment of the dependent spouse based on suitability of skills.

We cannot mitigate the pain or the suffering, but we hope that this will provide the grieving families with enough support to recoup and reorient.

Together, We Build.

Dhirup Roy Choudhary  
Managing Director and CEO  
HIL Limited (A CK Birla Group Company)



₹3 crore  
Contributed to PM CARES Fund

### Educating Stakeholders

Small, engaging and viewer friendly videos capturing various Dos and Don'ts amidst the pandemic were made and circulated to our employees, dealers, vendors and third parties dealing with us in business.



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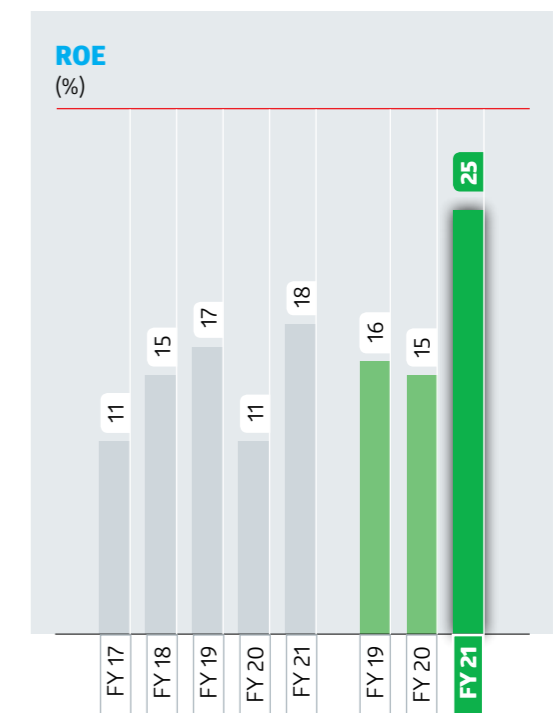
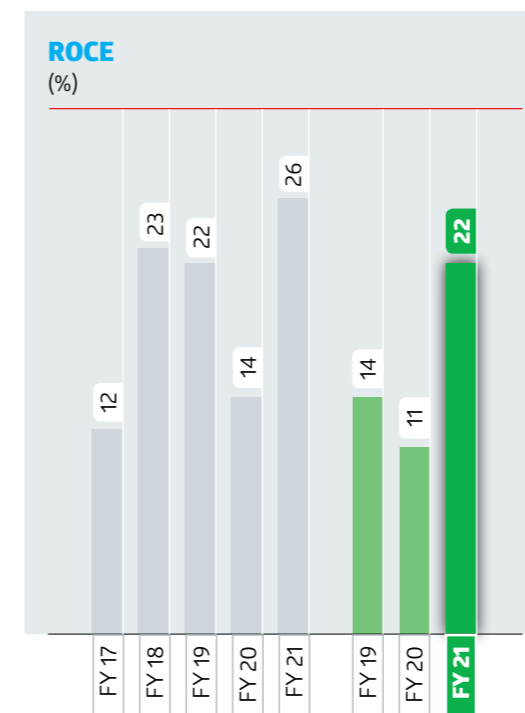
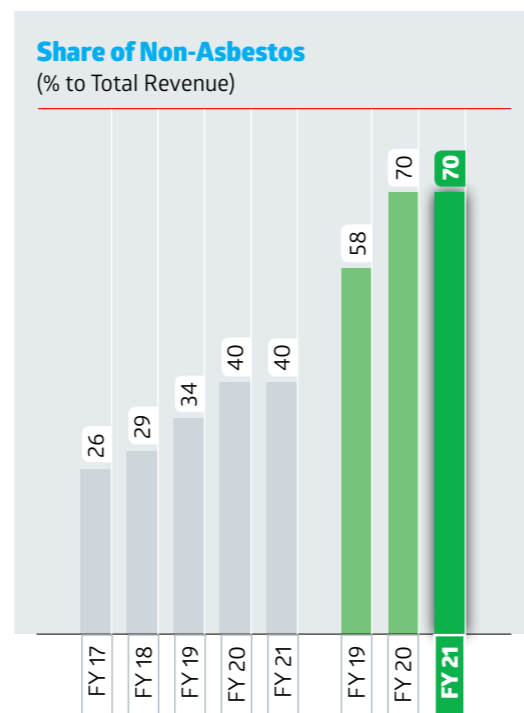
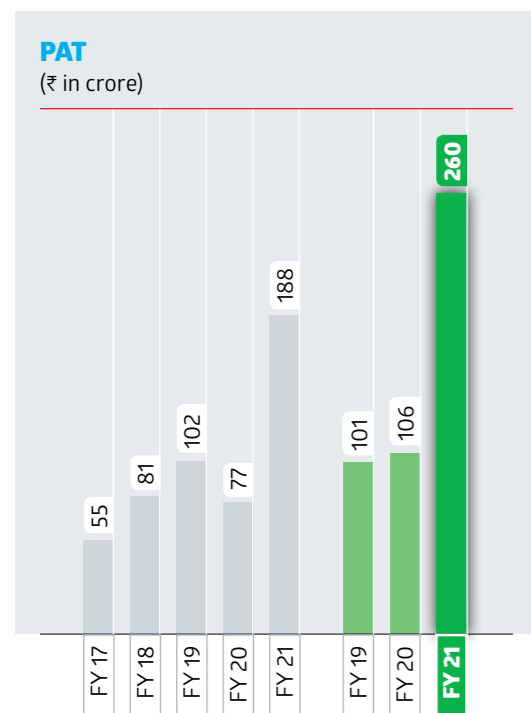
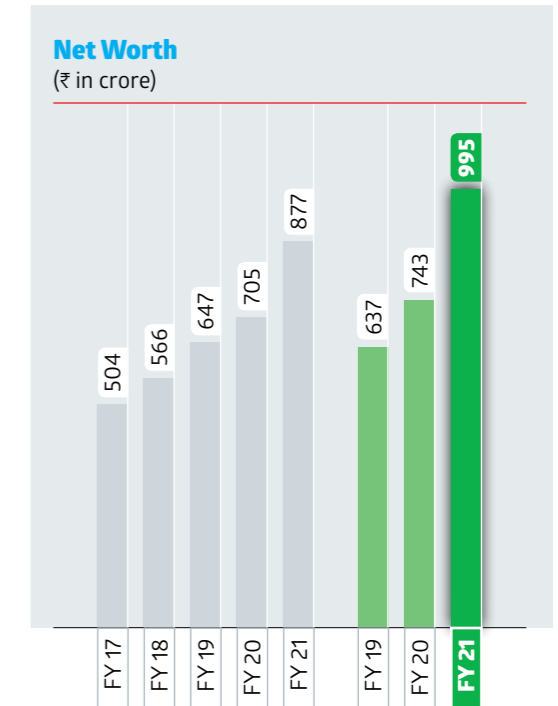
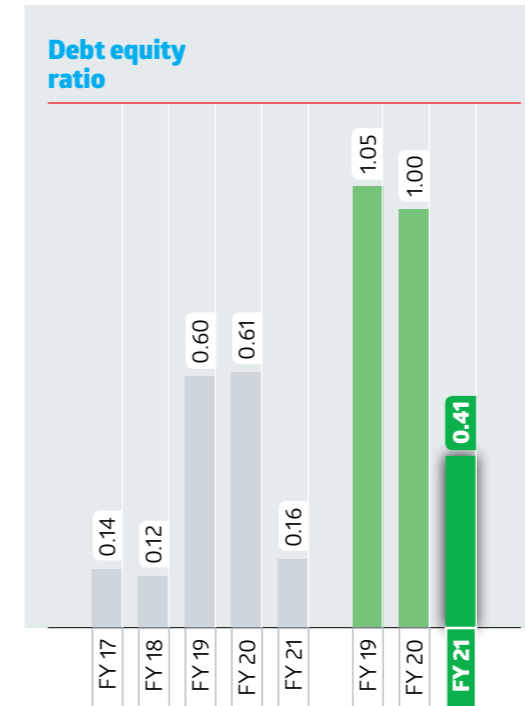
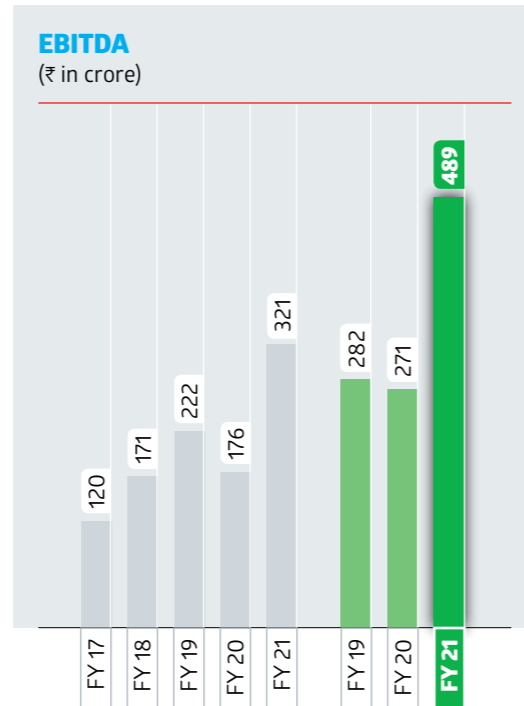
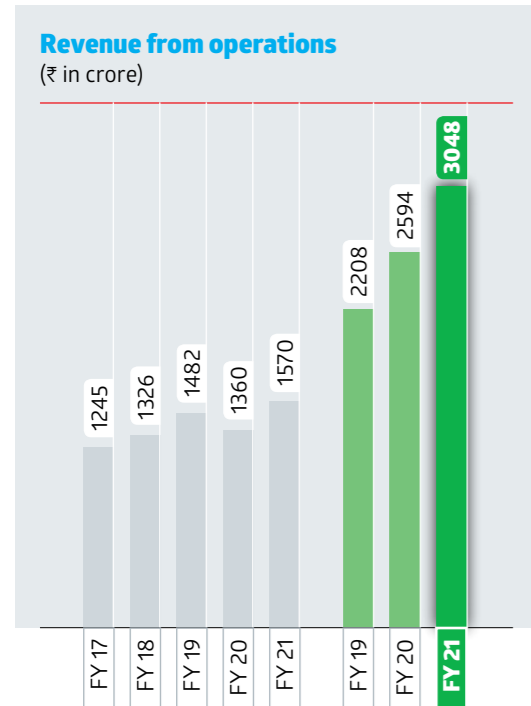
Video Tutorials made



Sample of educational posters/videos shared to stakeholders



# Driving performance amidst challenges



■ Standalone ■ Consolidated

■ Standalone ■ Consolidated

# Leading Brands, Comprehensive Solutions

We embarked on the journey of becoming a complete building materials and solutions Company with a commitment to provide high quality yet affordable products and solutions. Over the years, we have cemented our leadership in the building material space in India and across the globe becoming the only Company providing a complete end-to-end building material solution.

Our diversified product portfolio offers our customers comprehensive solutions across our brand basket. We remain poised to maintain our customer trust, through our brands Charminar, Charminar Fortune, Birla Aerocon, Birla HIL Pipes and Putty and Parador.



Most Trusted Roofing Solution

## Largest

Roofing Solutions Company and #1 brand in India with highest market share



BUILDING SOLUTIONS

## Leading

Brand in Building Solutions

## PARADOR

## #1

Brand in Germany



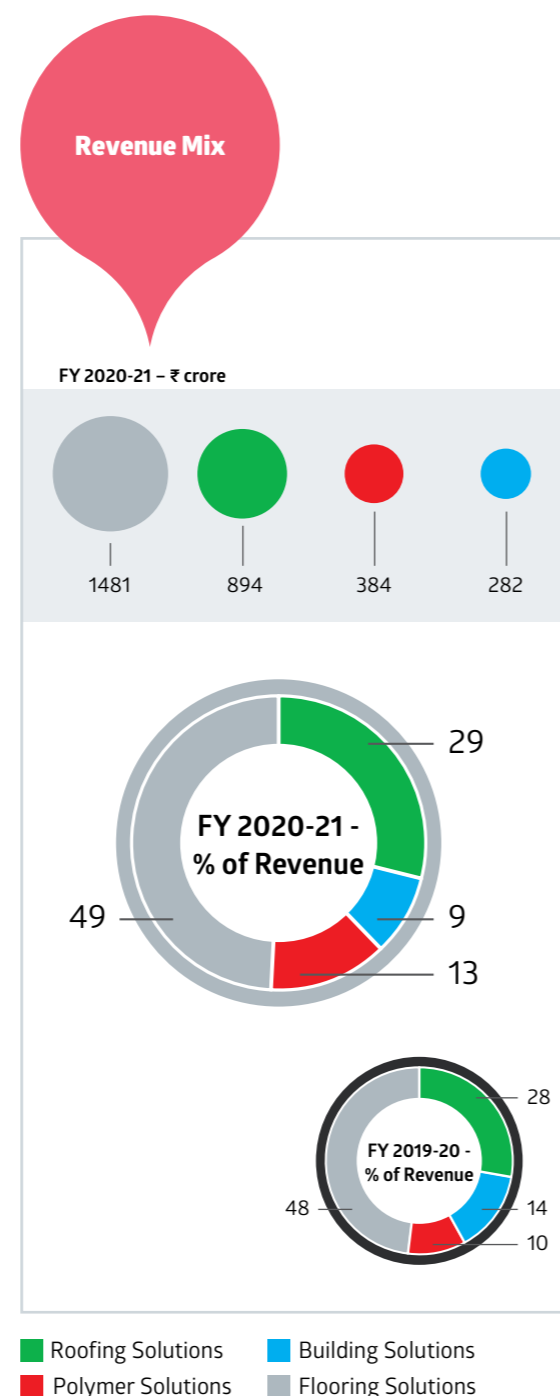
## Aggressive

Growth delivered in Polymer Solutions



## Pioneers

In homegrown green Roofing Solutions



## Setting Benchmarks with Exceptional Solutions

### Roofing Solutions- Charminar



Most Trusted Roofing Solution

#### Introduction

We dominate the roofing industry with our exhaustive range of innovative products. Charminar our flagship brand, is an undisputed leader of the Indian roofing and cladding market with a wide range of products catering to all categories of user for all seasons.

#### Flagship Products

##### Fiber Cement Sheets

India's number one roofing choice, is our most widely appraised product can be used for nearly all building requirements.

#### Coloured Cement Roofing Sheets

The fibre cement sheet originally available in light grey colour have been launched in multiple colors to meet the customers demand.

#### Capacity

**11,99,200MT**

#### Manufacturing facilities

**10**



Non-Asbestos Cement Roofing Sheets

#### Environment Friendly

The next-gen non-asbestos corrugated roofing sheets, are a response to a rising, global need for eco-conscious, sustainable roofing that comes with an economic price tag.

#### Giving Back

During the pandemic, the Company has undertaken several drives truly standing by the ethos that the group resonates with and extending support to the channel partners to prosper on the whole.

### Polymer Solutions- Birla HIL Pipes & Birla HIL Putty



Bring Colours to Life On Your Walls



Pipe Lena Toh Naam Birla Dekh Ke Lena

#### Introduction

Our polymer solutions consist of a wide range of pipes & fittings and wall putty.

#### Capacity

**Pipes 31,369 MT**

**Putty 2,73,000 Tonnes**

#### Manufacturing facilities

**5**

#### Pipes & Fittings

This segment offers an extensive range of pipes and fittings which are eco-friendly, anti-microbial, cost-effective suitable solutions used in multiple areas.

#### Flagship Products:

- Birla HIL CPVC pipes
- Birla HIL UPVC pipes
- Birla HIL Column Pipes
- Birla HIL SWR Pipes
- Birla HIL UPVC Pressure Piping
- Birla HIL UGD Pipes

#### Wall Putty

Manufactured using cutting edge True Colour Technology, is an innovative and technically superior process enabling the wall paint to dazzle in its original 'Just as you selected' shade.

#### Flagship Products:

Birla HIL Putty

## Leading Brands, Comprehensive Solutions



### Building Solutions- Birla Aerocon

#### BIRLA AEROCON

BUILDING SOLUTIONS

#### Introduction

We offer a one-stop solution for building needs of modern construction, classified into two segments - Wet Walling and Dry Walling

#### Manufacturing facilities

7

#### Capacity

Blocks  
**8,73,000 CUM**

Boards  
**54,000 MT**

Mortar  
**24,000 MT**

Panels  
**89,000 MT**

Fly Ash blocks per annum panels, blocks and boards

#### Wet Walling

The Wet Walling solution includes durable load bearing and energy saving construction materials. The products provide cost efficient and eco-friendly walling solutions.

#### Flagship Products:

- Birla Aerocon AAC Blocks,
- Birla Aerocon Ready Mix Plaster
- Birla Aerocon Block Jointing Mortar

#### Dry Walling

The Dry Walling solution includes pre-cured, high-performance, light-weight, easy and ready-to-install walling solutions.

#### Flagship Products:

- Birla Aerocon Cement Sandwich Panels
- Birla Aerocon Fibre Cement Boards
- Birla Aerocon Smartbond
- Birla Aerocon Designer Boards

### Flooring Solutions- Parador

## PARADOR

#### Introduction

We forayed into the flooring solution vertical a few years ago with the acquisition of Parador. We offer premium quality engineered, laminate and resilient floor (vinyl) covering to provide innovative and comprehensive flooring solutions.

#### Capacity

**15 MSQM**

#### Manufacturing facilities

2

### Passion and performance

Consistent product developments are the driving force behind an exclusive range of new products and solutions. Fascinating products with a natural feel and look, technical perfection and surfaces designed down to the last detail have made Parador a renowned brand.

Parador continues its holistic system promise in the new range of products for 2021. In addition to the products for flooring, wall and ceiling design, we have expanded our range of mouldings as well as accessories for installation and care. Parador now offers matching corners and caps for all mouldings. In addition to the Modular ONE range, adapting and transition profiles with the same decor will be available in future. As a result, the end customer can buy everything they need for the installation and value retention of their Parador product, perfectly matched to each other.

To this end, the entire range of services at Parador has been simplified and divided into clear service and comprehensible price levels, which make the overall range more comprehensible. This makes it easier for end customers to choose the right product. The existing product range structure is complemented by the new "Hydron" product line and by specially curated designs with the additional "Iconics" designation.

The new "Iconics" label identifies items within the existing product lines that are distinguished by their exceptional design as trend-oriented beacons they shine out of the product lines and deserve special attention. High-quality and technically sophisticated, the "Iconics" products naturally have all the technical features of the respective product line. With decors at the cutting

edge of design, the "Iconics" underline Parador's promise to set relevant trends in flooring design.

The new "Hydron" product line stands for particularly water-repellent floors that can also withstand special challenges. For Hydron 600, Parador has further optimised proven product components to prevent water penetration:

in addition to the water-impermeable top and bottom surfaces, an extremely low-swelling HDF core board and the highly hydrophobic special bevel lacquer in combination with a particularly tight-fitting click system herald a new laminate flooring generation from Parador. A total of nine decors reflect the range of current design trends.

With "Modular ONE Hydron" Parador is expanding the range of its successful bestseller: Modular ONE. It stands for the combination of innovative technology, best quality and

authentic looks. Due to its special product structure, the resilient floor covering is 100% waterproof and very easy to renovate due to its low installation height. This means that Modular ONE Hydron can be installed without any problems even in rooms with high moisture load, e.g. bathrooms – and without any time restrictions. The new waterproof and dimensionally stable polymer core board and the waterproof polymer backing combine outstanding quality and water-repellent properties.



# Innovate to Improve

Innovation lies at the core of our product development strategy. We remain resilient to lead with innovative and quality products to deliver on our strategies and drive business growth.



**Trendsetter in the building material industry by creating new benchmark in Quality, Processes and Products**



**₹2014.96**  
lacs

R&D spend over the last five years in India



**32**

Patents files in India and across the globe

New product development coupled with product upgradation year after year has ensured we are consistently addressing the changing demand pattern of our customers. We continue to work on the path, developing and diversifying into a range of products

that are environmentally conscious and economically viable for our consumers. Through our innovative, customer centric and revolutionary products and solutions we have been transforming the industry offering.



### History of Firsts

- Pioneer of the Aerocon panel
- Introduced the fly ash in product even before the cement industry
- Innovated usage of cotton rag pulp, GGBS slag, synthetic fibre & stretch wrap curing for sheeting
- Pioneer in modular flooring in the industry

### Our R&D units are

- Recognised by DSIR, Ministry of Science & Technology, Govt. of India
- Well equipped with state-of-the-art testing facilities
- Have a full-fledged pilot plant facility



## Innovate to Improve

### Highlights 2020-21

#### **Product Innovation**

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. Some of the product development initiatives during the year were:



**Patent received in India for eco-friendly asbestos-free corrugated roofing sheet** (Charminar Fortune) developed by humid cure technology.



Developed the **eco-friendly and heavy metal free stabilizer** based on organic compound for UPVC pipes and fittings.



**Patent received in India** for the newly developed fire resistant and crack free panel jointing compound suitable for prefabricated sandwich wall panel.



In line with the market demand, different **RAL colour shades coated Fortune corrugated roofing sheets** have been developed.



Post completion of the trial, an online spray system has been installed at multiple plants for **Online colour coating on Charminar roofing sheets** and with colour coating compositions.



Different **acid resistant corrugated roofing sheets** have been developed to penetrate newer markets



Developed the type- A flat board with cost **effectiveness and better performance** for building solution



Third party certification from a reputed testing lab has been received for the newly developed **high sound transmission coefficient (STC) panel** for the building solution market



Developed **cost effective and environmentally friendly stabilizer** based on CaZn for pressure, SWR & UPVC pipes and fittings.



Development of water-resistant Putty: A comparatively more **water-resistant putty** has been developed and has shown better performance against benchmarks



#### **PARADOR INNOVATION**

- Introduced solid wood planks
- Introduced ECO-Balance innovative range
- Introduced Modular One Innovative Range
- Introduced Iconics Innovative Range

#### **Process Innovation**

We are constantly striving to upgrade our process to increase product efficiency, increase cost-efficiency, de-risk ourselves and reduce environmental impact wherever possible. Some of the process development and deployment during the

year were, introduction of new material and vendors to partially replace asbestos fibres and cement in the production of and development of more suitable additive to address the delamination problem identified in the flat board.

We are constantly trying to make our process more environment sustainable with the introduction of new mix of additive to our fly ash usage process reducing the water requirement.

# Transforming through Digital Journey

Digitalization continues to be a crucial driver of HIL's evolution. We have come a long way in our digital transformation journey, now further gained ground during the pandemic year.

We are making significant progress as a digitally enabled and data-intelligent business entity. We are transforming our manufacturing processes to Industry 4.0 standards with ubiquitous systems and processes. The digital tools and processes are transformative, creating a positive impact on our business. Across our organization, we have deployed flexible and scalable digital solutions to enhance our responsiveness. These multi-year initiatives are enabling us to leverage technologies

such as artificial intelligence, predictive analytics, robotic process automation and IoT that are driven by automation.

In 2020, we expanded the scope of these programs to increase the flow, accessibility and utility of real-time data in areas such as Sales, Procurement and Supply Chain Management. We have completely digitized shop floors in most of our plants, thereby enabling the real time reports on plant operations.



## Consumer and Customer-Centricity



## Transparency and Traceability along our Supply Chains



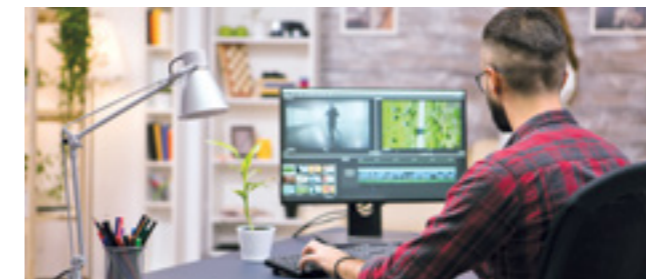
## Manufacturing Flexibility and Agility



### Work from home

Work from home setup for a manufacturing company was never thought of earlier, but now we can proudly say that most of our staff can work from home, reaping the benefits of our investments done on collaboration tools and enterprise software. We

have enhanced our security policies and deployed scalable infrastructure to ensure uninterrupted business continuity. Our employees have embraced all these tools and adapted with agility to this new normal.



### Embracing data analytics

We have rolled out enterprise level business intelligence tool with automated KPI dashboards and reports. We have transformed our data into an easily accessible, highly reusable asset by setting up a data lake and a data warehouse on cloud. This helped us leverage data analytics to empower teams with quick access to accurate information, helping them make smart and quick decisions.

Furthermore, the automated KPI dashboards, powerful visualizations and real-time

reports have helped senior leadership team to draw rich insights and derive efficiencies. This has now eliminated a lot of manual data preparation, has ensured data integrity and removed dependency on conventional software tools.

This data driven informed decision making resulted in improved operational efficiency and business productivity. This also helped with micro segmentation of the demand during pandemic and ensured business could service them.

### Darwin Box Iconnect Platform

Post COVID-19 it was imperative to grow the business with solutions that make an enterprise future-ready. We were one of the few companies in our industry to equip our teams with digital technologies, enabling seamless collaboration and uninterrupted connectivity. We deployed our new HRMS system 'Darwin Box' that

encouraged engagement within our team members. We also scaled up our learning platforms and established digital academies. These provide access to relevant, easy-to-consume learning materials that enabled employees to acquire skills that contribute to growth of the company.

### Nayi Disha

Our focus on innovation continues to bring great results in improving process efficiencies and cost reduction. "Nayi Disha", HIL's ideation platform enabled a robust structure of collecting, nurturing, implementing ideas and is accessible to all

employees of HIL across all locations. On this platform, we have garnered more than 1200+ ideas from our employees which resulted in 150+ initiatives that made us achieve crores of savings across all business verticals.

### Industry 4.0

Robotic Process Automation and Digital Workflow tool have helped us automate some of the mundane activities, resulting in improved process efficiency levels. This further strengthens our move towards having end to end automated processes in place.

The digital workflow has helped a lot further in streamlining the AP process automation across the locations.

We have also started the digitalization of the planning and budgeting process using a cloud based platform. This brings agility and flexibility for the planning process and also helps multiple teams across various functions to collaborate faster on the entire planning and budgeting.

Industry 4.0 has been the cornerstone for HIL in its process to digitally transform its manufacturing processes. We have completely digitized shop floors in most of our plants, thereby enabling the real time information on critical KPIs in plant operations. This solution increased agility and allowed us address the variability in planning, manpower in an efficient manner. Shop floor digitization helped us control plant operations remotely, making us achieve our targets with minimal workforce. The data generated was helpful in cost reduction and process improvement initiatives. Using predictive maintenance solution, we were able to detect machine failures, thus improving the uptime of plant and reducing the cost of spares.



# One HIL

We stand strong in the belief that our employees are and always will be our biggest asset. ONE HIL enables us to overcome the challenges and leads us to new growth trajectories.

Our committed employees not only drive our organisation efficiency levels but give us a competitive advantage. Our team strives to give their best while sustaining our business continuity.

We are proud and humbled to have won again

**3 prestigious awards**

**Top 100 Best Workplaces (Ranked 55th)**



**Best in Cement and Building Materials**



**Top 30 in Manufacturing Industry**

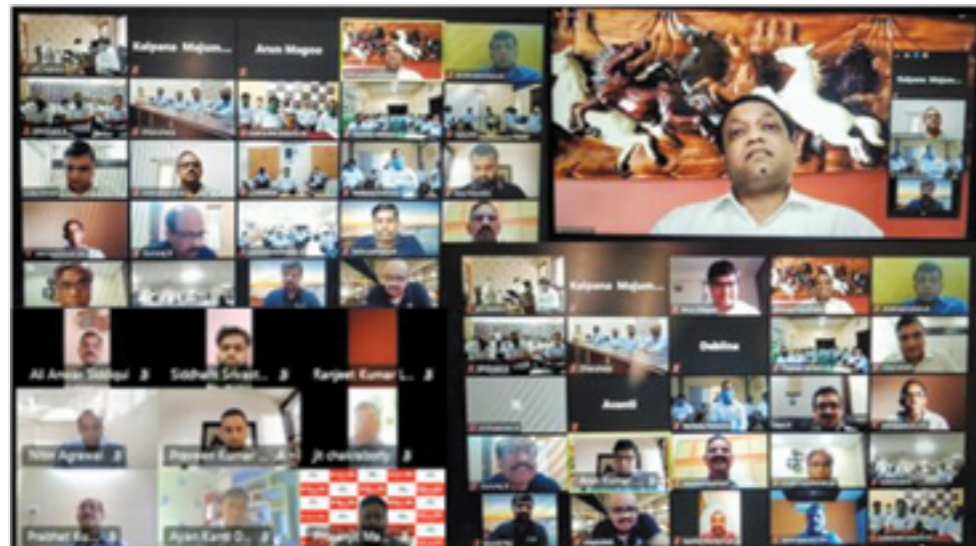


## Open Communication

Communication between employees and the management is very crucial to enable a transparent work environment and we have always promoted open communication among our employees. We increased our efforts to stay connected with our employees during the pandemic as many worked from home and face to face interactions were minimal.

## Chairman and MD Connect

Our Chairman, Mr. CK Birla himself connected with the employees at large during the past quarterly townhalls. He spoke to employees on various issues including health, safety and business challenges. Similarly, our Managing Director & CEO, also regularly connected with all employees through open and trust-based communication channels with multiple digital townhalls to engage with employees.



**92%**

Average attendance on various communication channels

## Mann Ki Baat, MD ke Saath

The objective of organizing the Mann Ki Baat, MD Ke Saath sessions was to increase the face to face connect with all employees, including workmen, with the top management and ensure their concerns, if any, were answered in a structured and timely manner. This was a two way communication process where every employee was given the opportunity to speak to the management without any hesitation and expect resolution of their issues.

A total of 22 sessions were conducted over 2 months with an active participation of over 1300 employees overall.

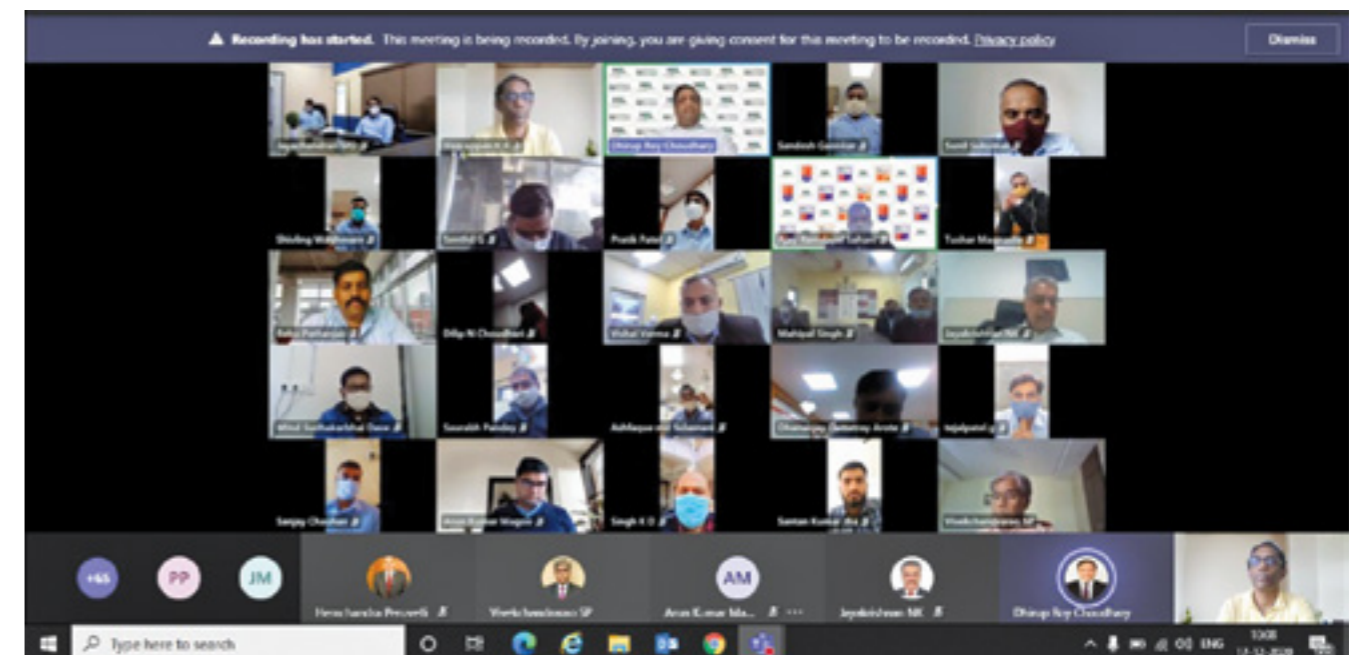
## Feedbacks shared by women employees

“We are all bit disturbed and tensed with the situation but this session was really energetic and my confidence has boosted to another level. I feel that I can reciprocate the same positive energy to my team. It was so refreshing.”

**Reshmi Nair**  
KAM- West Walling  
- Mumbai

“The session will help us plan and prioritise better and of course will help us break the monotony.”

**Ambika Philip**  
DGM - Administration -  
Hyderabad



## Career Week Celebration

We organised our first-ever career week from January 11, 2021 to January 15, 2021, wherein several activities to

engage, educate, learn and converse with the employees was planned. The week-long celebration helped employees

to have a conversation with senior leaders, at both the corporate as well as at the unit level, to learn & develop

“Career growth mindset” and understand their personal growth aspirations.

# Environmental, Social and Governance (ESG) practices at HIL

Today, economies across the world face unparalleled challenges in economic, social and environmental dimensions of sustainability including climate change, biodiversity loss, hunger and malnourishment, economic inequity, social insecurity to name a few.

These challenges have accentuated to a level that there is a need to leverage innovative and collaborative solutions to address them. In line with this, businesses are recognizing the need to embed elements of environmental and social aspects across the value chain which in turn gives them credibility and an edge when it comes to risk management.

HIL truly believes in driving a positive change with ESG at the core of all its operations. The organization is aware of the consequences if environmental, social, and governance (ESG) issues are not addressed. Having said this, ESG processes at HIL focus on non-financial aspects that demonstrate the organization's commitment towards addressing its environmental and social impact. It also prioritizes the interests of the stakeholders,

enabling the aspirations of its people and strengthening the communities within which it operates. With an aspiration of environmental stewardship, HIL has adopted a cradle to grave approach including use of sustainable raw materials, development of eco-friendly products, greener manufacturing, energy efficiency, use of renewable energy, water management and adoption of circular economy.

With a vision to create value for all its stakeholders, HIL focuses on the health, safety and wellbeing of its employees and all other stakeholders while deploying effective engagement mechanisms and community prosperity programs. To achieve all its ambitions, HIL has a strong governance framework in place which fosters a culture of ethics, transparency and integrity.



## Environment

Looks at how the organization performs as steward of natural environment

- Safe use of Chrysotile asbestos
- Energy
- Water
- Circular Economy
- Innovation
- Restoring General Environment



## Social

Looks at how the organization manages relationship with its employees and stakeholders

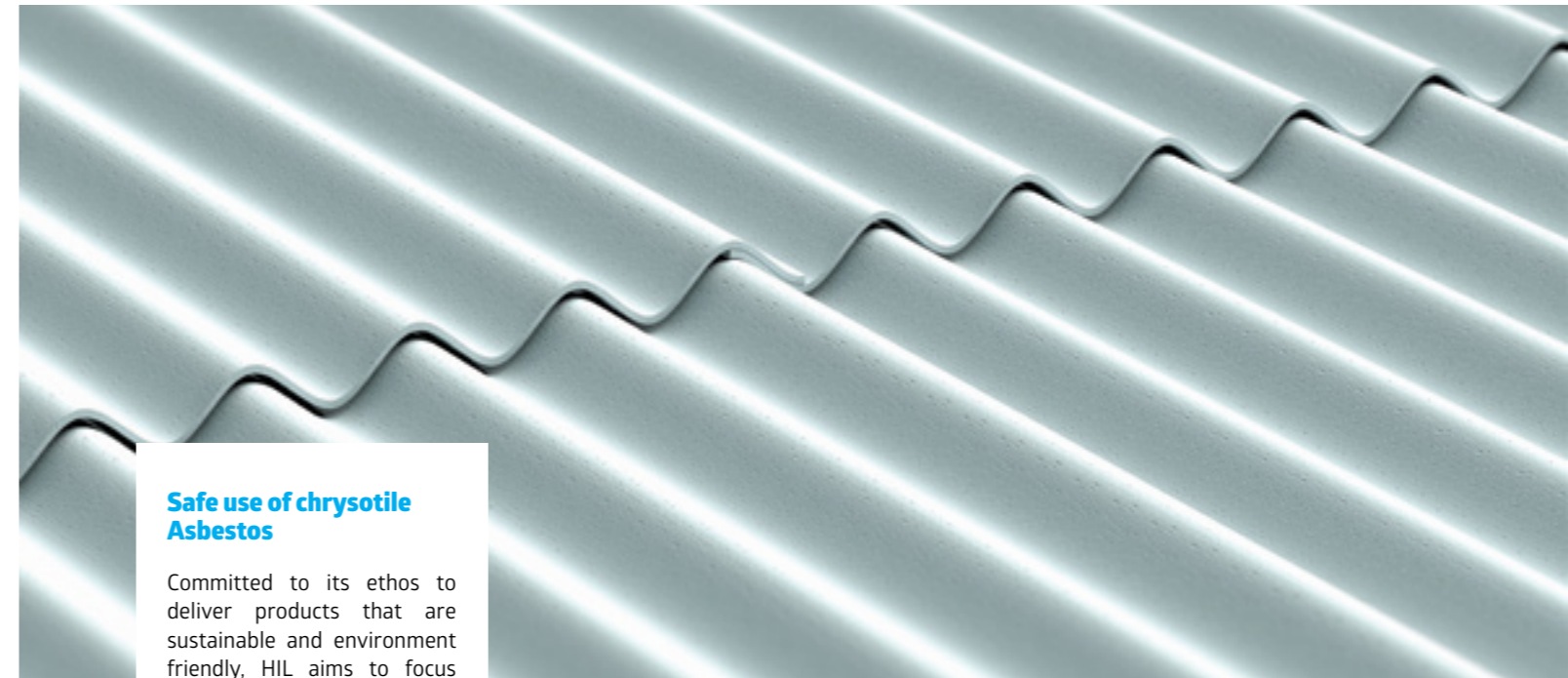
- Employee Engagement & Wellbeing
- Community
- Environment Health & Safety



## Governance

Looks at how the organization addresses sustainability aspects transparently

- Policies & Procedures
- Sustainability Communication



### Safe use of chrysotile Asbestos

Committed to its ethos to deliver products that are sustainable and environment friendly, HIL aims to focus on sustainability across its value chain i.e. raw material to end of use. Being a market leader in roofing solutions, HIL manufactures the products ensuring conformity to environment and workplace regulatory requirements. One such example is the use of chrysotile asbestos and can be used safely under controlled conditions. It is chemically different than other types of asbestos. The company uses chrysotile asbestos fiber imported from Brazil, Russia and Kazakhstan which occur naturally in abundance resulting in no significant depletion.

All fiber imports are subjected to stringent pollution control laws. To address any environmental concerns, chrysotile asbestos is imported in pressure packed bags unitised into pallets that are designed by HIL and adopted by fibre producers. These pallets are downloaded using cranes and transported to godowns and shop floor using forklifts in order to avoid any human contact. HIL takes appropriate measures to control the release of asbestos fibers by installing dust suppression instruments- dust enclosures and extraction systems. These environment

engineering controls are developed in house and are rated as one of the best low cost pollution control equipment in the world, by experts. These measures focus on controlling the spillage and minimizing the impact on the work environment, human health and are thereby deemed to be safe. HIL continuously monitors the fiber concentration in the work atmosphere and the stacks and ensures it is within the permissible limits.

The organization has an in-house R&D team which continuously innovates and contributes towards reduction in the use of fibre. Over the years, the fibre content has been reduced from 10% to 6% in the Roofing Solutions due to alternative materials such as cellulose pulp, mineral and synthetic fibers. This reflects HIL's commitment towards development of eco-friendly products. While, the organization uses Chrysotile asbestos to manufacture AC sheets, HIL practices proper handling and processing in accordance to the regulatory norms ensuring a safe process with no risk to employees. As Chrysotile asbestos fibres are firmly

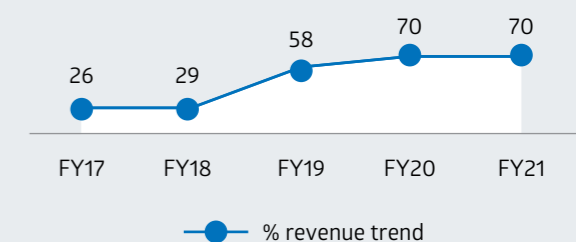
bound in layers of cement, on ageing, there is no release of fibres into the environment ensuring no hazard to users and the environment. Further, stringent controls are in place for asbestos transportation as a testament to HIL's commitment towards environmental stewardship.

HIL strives towards exploring options to increase its non-asbestos based product portfolio by using scientifically evaluated alternatives. In line with this, the Company's R&D team has developed patented products such as Charminar Fortune, a non asbestos product, thereby transitioning towards sustainable business practices. This sheet, manufactured using recycled raw materials, is non-toxic,

sustainable and meets the specification as per IS 14871:2000.

Another evidence of the organization's effort towards product diversification is the steady growth in the revenue from non asbestos products such as Birla Aerocon sandwich panels, Type A & Type B fiber cement board, a wide range of Pipes and fittings solutions, Wall care putty, AAC Blocks and Wooden flooring amongst others. HIL also has a dedicated line installed in Faridabad to manufacture non-asbestos products. As proof of its efforts, revenue % from non-asbestos containing products has increased from 26% in FY 17 to 70% in FY21 as shown in the figure alongside.

Non-Asbestos % revenue trend



## Environmental, Social and Governance (ESG) practices at HIL

### Wealth from waste – Environment consciousness

HIL is making great efforts to transition to a circular economy model by minimizing waste generation and maximizing recycling/reuse. HIL complies with all relevant legislations with respect to handling and management of waste at the manufacturing facilities. As a part of wet walling solutions, the company offers a range of products which utilizes alternatives such as fly ash as a raw material. Around 35% of the raw materials used comprises of fly ash which is waste generated by thermal power stations. In addition to this, slag and dry waste are

some of the other alternatives used, which are derived from steel manufacturing plant waste and broken asbestos sheets respectively.

Further, HIL has also been working towards replacing the packaging material with sustainable alternatives. One such initiative includes packaging of finished goods using straw bundles & paddy husk to promote recycling. All these initiatives help HIL move towards zero waste processes.



### Energy:

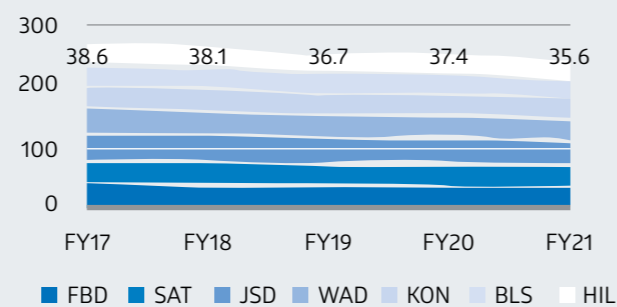
The production processes of a company are often the topmost contributors of greenhouse gas emissions. Recognizing this, HIL has introduced process improvements like development of an additive which helps to reduce cement consumption by around 8% amongst others. Considering the steady depletion of natural resources, HIL continues to take efforts to foster a culture to conserve natural resources. The company has been creating an energy efficient environment through various measures. One such initiative includes replacement of diesel with compressed natural gas in generators in some of the manufacturing locations. Further, energy savings have been achieved through various initiatives including capacity optimisation, idle running time elimination, usage of energy efficient equipment (such as VFDs, LED lights, capacitors),

use of Electric Overhead traveling (EOT) crane, to name a few. These energy efficiency initiatives have resulted in significant savings, resulting in substantial cost reductions.

Demonstrating its commitment towards contributing to India's transition towards low carbon economy, HIL has been promoting the use of renewable sources of energy. Captive solar energy plants have been installed in Faridabad and Chennai with a capacity of 100kW increasing HIL's renewable share in overall energy mix. Carbon credits are also generated through windmills and solar farms which are a result of development of Autoclaved Aerated Concrete (AAC) blocks. An estimated 4,96,243 credits have been generated. These carbon credits are evaluated and sold through an external agency.



Power Consumption (KWh/MT)

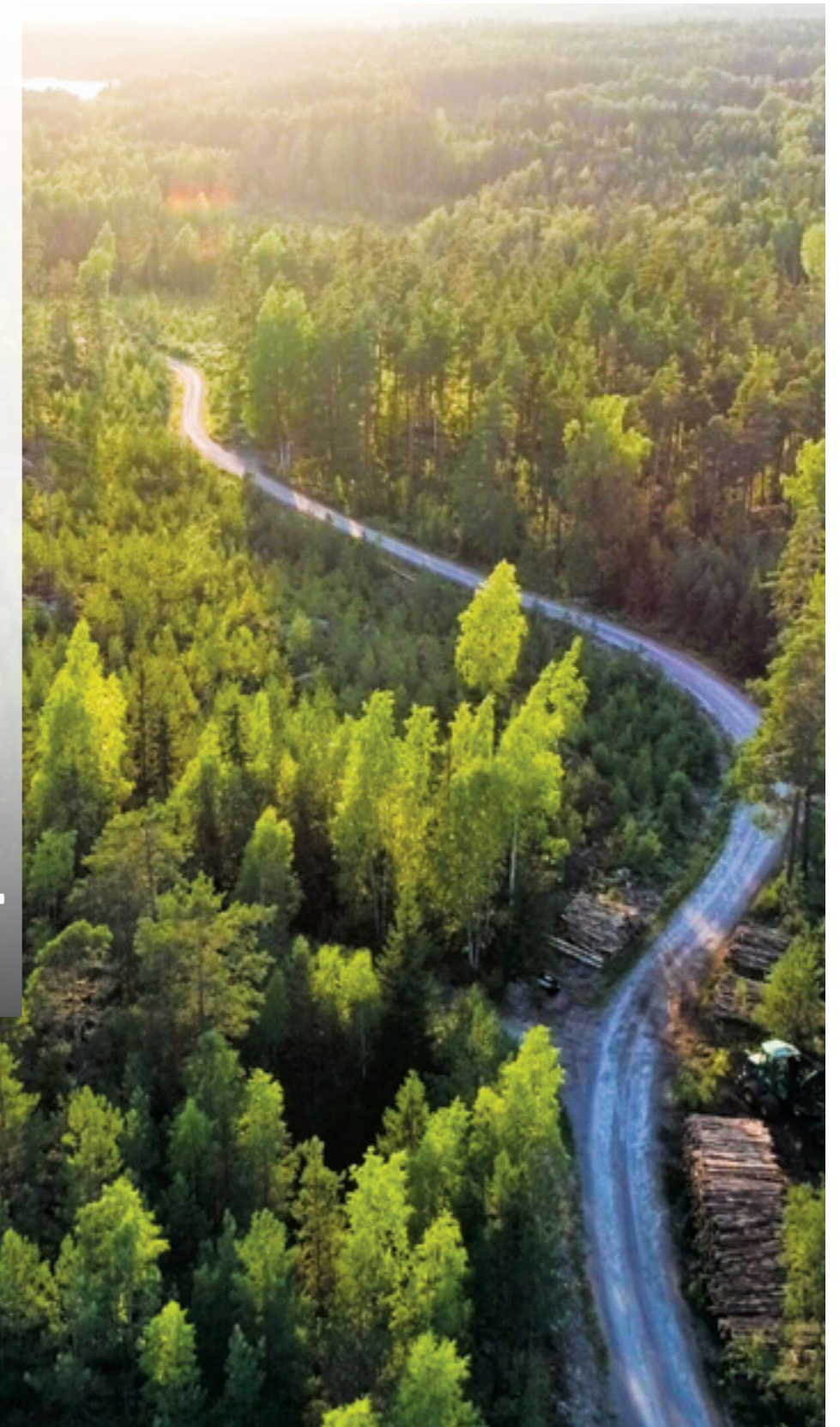


### Water Management:

Water is a vital resource not just for HIL, but for the surrounding communities and ecology as well. It is one of the major raw materials for HIL's products. In its efforts to support this crucial lifeline, HIL has introduced various water conservation measures to reduce the dependency on freshwater withdrawal which include water recycle/reuse, installation of rainwater harvesting systems. Zero wastage of domestic water is ensured by providing level sensor in water tanks, which is monitored rigorously through digital water flow meters. Additionally, during the production of fiber cement sheets, the process water is being reused as a result of which consumption of fresh water has decreased significantly. This has resulted in significant reduction in domestic water consumption from 8280 KL/Year (FY' 20) to 7898 KL/Year (FY' 21).

**78,396 KL**

Water harvested through rainwater harvesting in FY' 21



## Environmental, Social and Governance (ESG) practices at HIL

### Innovation:

HIL, in its endeavour to be at the forefront of innovation, has developed patented non asbestos products which are further a proof of HIL's diversification towards environment friendly products.

HIL has also launched various digital initiatives such as Industry 4.0, Kavach tool and online auctions. The digital data management has resulted in an increase in process efficiency. Real time data collection and analysis tools have enabled efficient monitoring for energy, water consumption. Corporate HR has truly become a paperless function with the implementation of Darwin Box software in November 2020.

Digitization has truly offered opportunities at HIL to transform the business model with constructive digitized solutions across the value chain.

### Employee Engagement & Wellbeing:

HIL believes in creating shared value for all stakeholders – internal and external. HIL understands that employees are the bedrock for the organization's success and thereby strives towards strengthening a holistic workplace culture with an intent to nurture the workforce of tomorrow.

In order to build a foundation of trust and transparency, HIL has launched "Nayi Disha" portal which serves as a platform for employees to provide innovative ideas/suggestions ranging from cost/ wastage control initiatives to new product development ideas to strategic market expansion. Further, the company is committed to providing effective training programs to ensure skill development of



the employees for current and future roles. During FY21, HIL continued its focus on learning & development, resulting in 14,000+ man hours of trainings. In addition to this, HIL has also initiated an open conversation platform for employees to connect with the MD & CEO via an online program called "Mann ki bath, MD ke sath".

The organization is of the opinion that laying a strong emphasis on the holistic wellbeing of its employees will stretch its potential to reach greater heights. In line with this, the company has engaged with "YourDost", an online counselling and emotional support platform, to support its employees and their families with regard to mental health and wellness issues.

All these initiatives enjoy immense employee support and have fostered employee motivation and a sense of belongingness in the organization. This has resulted in diligence at work and ardent faith in the leadership. It is this faith that oils the machinery of progressive growth and effective stakeholder

management, both internal and external at HIL.

### Community:

HIL believes in creating value for its stakeholders especially the communities within which they operate in. The organization is committed towards creating significant social value through its CSR initiatives that include the unprivileged sections of rural India. Continuous engagement with the communities through CSR initiatives reflects our commitment to creating an equitable society.

HIL carries out a systematic approach to identify the needs of the community based on which the programs are structured and implemented. While the primary focus area includes empowerment of the girl child, some of the programs under CSR pertains to creating physical infrastructure in nearby villages like school buildings, development of water borewell, building community toilets, school benches, etc. During the pandemic, HIL also supported the communities by providing inhouse

manufactured sanitizers to aid in their battle against COVID. Further, monetary support was provided to carpenters, masons etc. to manage during these unprecedented times. As a responsible Corporate citizen, HIL adheres to all the norms governing CSR as per the Companies Act.

### Environment Health & Safety (EHS):

For an organization, particularly in the building materials industry, health and safety of its employees is of paramount importance. Recognizing employees as vital to the company's sustainable growth, HIL has several initiatives in place with a keen focus on their health and safety.

HIL has implemented an incident reporting and investigation standard. All Significant Loss Time Injuries (LTIs), Medical treatment beyond First Aid (MTBFA) and near misses are investigated to identify root cause and implement Corrective and Preventive Action (CAPA) across plants to prevent reoccurrence.

The organization regularly monitors and ensures safety of all its employees such as through use of PPEs. Occupational hygiene practices are strictly followed and there is regular surveillance of environment and employee health.

HIL has a first of its kind medical surveillance program in the country headed by Occupational Health professionals. Aim of Medical surveillance program is not only to prevent Occupational health diseases but also to prevent lifestyle diseases and promote good health. In addition to this, to create awareness among the employees and contractors on health and safety, HIL imparts regular training sessions such as training during induction and refresher trainings periodically. Even after retirement or leaving service, HIL follows up regarding the employees' health as per statute. Occupational health professionals of HIL were members in the expert panel in selecting radiographs that help in diagnosing asbestos related disease and also teaching OH professionals. This expert panel has also designed a set of slides

that help in counting of asbestos fibres and training new professionals. Many "Training the Trainer" programs were conducted by HIL in the field of Environment, Occupational Hygiene and Occupational Health to promote the cause of safe environment and health in the industry. HIL is paving its way towards digitizing the process. In line with the same, a software is in pipeline that shall capture injury rates, internal audit reports, unsafe conditions, corrective actions, injury data, trainings etc and shall act as a central dashboard that shall provide a snapshot view of all KPIs.

## ZERO

Lost Time Injury (LTI) in FY'21

### Governance:

To promote a culture of integrity and ethics, HIL has a structured corporate governance system in place to ensure that all sustainability issues are effectively addressed. In line with the same, sustainability aspects are discussed periodically at the board level, showing the organization's commitment towards it. HIL has policies in place to ensure transparency and ethical behaviour such as the code of conduct, whistleblower awareness policy, POSH, among others. Several COVID-19 related policies have also been developed to cater to the emerging wellbeing and needs of the employees. These policies are being communicated to all the employees through various mediums such as intranet, emails, company WhatsApp group etc. The organization strives to develop policies that shall support sustainability in every aspect.

HIL has a comprehensive risk management system in place through which prevalent risks are identified and controlled including environment risks

such as risks arising due to usage of asbestos, legal and environmental noncompliance among others. To address this, a Risk and Control Matrix has been developed for all the plants, depots and corporate processes, including the entity level controls and are closely monitored. HIL also has an online platform- Kavach- in place to ensure 100% compliance to the regulatory norms.

### Future outlook

HIL's vision is to reach the target of \$1bn by 2025 through development of green products. There are numerous developments underway to realize this goal. Foray into AAC blocks, Pipes and Fittings, Putty and Wooden Flooring are prime examples of HIL's endeavour in this regard. HIL's focus on reducing its energy intensity and its push towards adopting renewable energy such as wind and solar are key to achieving its aim for sustainable growth. HIL would also continue to create value for all its stakeholders by promoting

safety and well-being of its employees, while adding no burden to environment, engaging communities through its CSR activities, and promoting innovations to reduce the bottom line while increasing the top line. To formalize this, a defined sustainability strategy and framework is underway, which would be completely integrated with the business objectives. This would also support in institutionalizing sustainability programs and initiatives throughout the organization.

# Profile of Board of Directors



**Mr. CK Birla**  
Chairman



**Mr. Dhirup Roy Choudhary**  
Managing Director & CEO



**Mr. VV Ranganathan**  
Independent Director



**Mr. Desh Deepak Khetrpal**  
Non-Executive Director



**Mrs. Gauri Rasgotra**  
Independent Director



**Dr. Arvind Sahay**  
Independent Director

1

Mr. Chandra Kant Birla is the Chairman and Non-Executive Director of the Company. He is the Chairman of a number of companies in the CK Birla Group. The Group operates in three industry clusters: technology and automotive, home and building, and healthcare and education. He is a keen philanthropist who is committed to social development in India, the advancement of Science and technology, Art and Culture.

2

Mr. Dhirup Roy Choudhary is the Managing Director & CEO of the Company. He is an electrical and electronics engineer and an eminent scholar of IIM-Ahmedabad with more than twenty-nine years of hands-on experience in business management. His extensive experience in different geographies around the world has helped HIL enormously. With his significant experience to deliver profitable growth, he is capable of, turning around a loss making companies, setting up greenfield projects and setting up favourable Mergers & Acquisitions.

3

Mr. VV 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 during his service tenure. He was a Senior Partner and Country Head for Quality & Risk Management and served on the governing board of one of the leading big four global services firms.

4

Mr. Khetrpal holds Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from Delhi University. He has vast experience in service, industrial, consumer and retail businesses. Mr. Khetrpal is the Managing Director and CEO of Orient Cement Limited and his previous positions include the Group Chief Executive Officer of Jumbo Group of Companies and Whole-time Director/ Group COO at Raymond Limited.

5

Mrs. Gauri Rasgotra has a rare combination of advisory and litigation experience of twenty-nine years in both academic and corporate settings. She managed litigation for 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 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.

6

Dr. Sahay has proven expertise in marketing strategy, pricing, neuroscience and consumer behavior, brand management, high tech marketing, international trade and investment. He 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 PhD degree from the University of Texas- Austin. Dr. Sahay is the recipient of the 'University Wide Outstanding

Dissertation Award' from the University of Texas, Austin, the 'Innovation in Teaching Award' from 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



**Dhirup Roy Choudhary**  
Managing Director and CEO



**KR Veerappan**  
Chief Financial Officer



**Hemchandra Peruvelli**  
Chief Human Resource Officer



**Gururaj Buchalli**  
Head Manufacturing Roofing



**Vijay Lahoti**  
Head Sales Roofing



**Dr. Satyanarayana**  
Head Research and Development



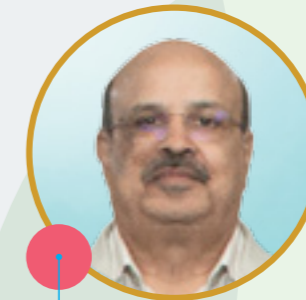
**Stefan Kükenhöhner**  
Chief Sales Officer – Parador



**CV Hendrik Voß**  
Chief Technology Officer  
- Parador



**Iqbal Krishen Pandit**  
Head Quality Assurance  
and Operational Excellence



**PK Jhunjhunwala**  
Head Imports



**Dr. S.P. Vivek Chandra Rao**  
Head Occupational Health



**NK Jayakrishnan**  
Business Head  
Building Solutions Business



**Arun Magoo**  
Business Head Polymer Solutions



**Manish Kothari**  
Head Strategy



**Murali Raj GR**  
Chief Information Officer



**Purav Gala**  
Head Internal Audit



# Celebrating Achievements



## Iconic Award 2021

"The competition is aimed at all companies in the furnishing industries and their partners in interior design. The ICONIC AWARDS: Innovative Interior pursue a holistic design approach: furniture, lighting, fittings have long since ceased to be seen merely as stand-alone products, but as a creative element within a holistic staging. The results are residential landscapes designed down to the last detail, which give their residents a maximum of atmosphere and individual expression. The individual elements of these holistic living worlds, from the lamp

to the door handle, from the crockery to the room dividers and textiles, are each designed individually with great effort and care.

**The ICONIC AWARDS 2021:** Innovative Interior are judged by an independent and expert jury. The jury is made up of representatives from the fields of design, trade and media. The ICONIC AWARDS: Innovative Interior are awarded by the German Design Council. Its awards honour relevant contemporary developments as well as special design achievements and enjoy a high international reputation."



## German Design Award 2021

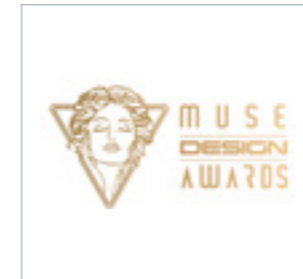
The German Design Award is the international premium prize of the German Design Council. Its goal: to discover, present and honor unique design trends. Every year, top-class submissions from product and communication design are therefore awarded prizes, all of which are groundbreaking in their own way in the international design landscape. Initiated in 2012, the German Design Award is one of the most recognized design competitions in the world and enjoys a high reputation far beyond professional

circles. The Winner award of the German Design Award recognizes outstanding and exemplarily implemented design achievements in the context of a specific category. The "Winners" are selected by a separate jury of experts.



## Red dot Award 2021

The best products of each year are honoured by the Red Dot Award: Product Design. Whether aesthetically pleasing, functional, smart or innovative – the award-winning objects are united by their outstanding design quality.



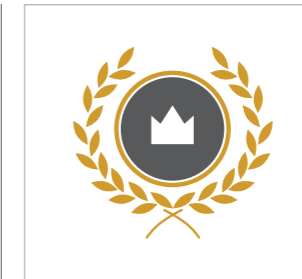
## Muse Design Award

The MUSE Design Award is an international competition aimed at professionals in the creative and design industries. "As always, it is our privilege to honour these remarkable individuals," said Kenjo Ong, CEO of the competition. "They have more than earned this award". Under the administration of the International Awards Associate (IAA), the prize is awarded by a jury of experts. IAA oversees the awards and recognition programs, puts the juries together and sets strict standards for the competition.



## German Innovation Award

The German Innovation Award honors cross-industry products and solutions that distinguish themselves primarily through user-centeredness and added value compared to previous solutions.



## Highest innovative strength

As part of an online survey, the WELT, in collaboration with the Cologne-based analysis institute ServiceValue, questioned around 280,000 managers about the innovative strength of German companies. Strategies and concepts of corporate management that lead to a high level of company and market-related innovative strength were evaluated.



## Economic Times - Asia's Most Promising Leader of the Year, 2020-21

Mr. Dhirup Roy Choudhary, Managing Director and CEO of your Company was conferred with the prestigious 'Most Promising Business Leader in Asia Award 2020' by The Economic Times, for a third time in a row 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.



## Great Place to Work

Your Company is proud of being certified as a "Great Place To Work" for the third time in a row for 2021-22. Winning this coveted title for a third time reassures that our employees take pride in working at HIL and feel like a family unit. This is a result of commendable efforts taken by the management towards building an impeccable performance-based organization. Also, your Company was in top 30 in the manufacturing segment last year. Happy to inform that this year your Company has been chosen 55th amongst the Top 100 Companies in India and Best in the Building Material and Cement Industry.

# Corporate Information

## Board of Directors

<b>Mr. CK Birla</b>	Chairman
<b>Mr. Dhirup Roy Choudhary</b>	Managing Director & CEO
<b>Mr. Desh Deepak Khetrpal</b>	Non-Executive Director
<b>Mr. VV Ranganathan</b>	Independent Director
<b>Mrs. Gauri Rasgotra</b>	Independent Director
<b>Dr. Arvind Sahay</b>	Independent Director

## Key Managerial Personnel

<b>Mr. KR Veerappan</b>	Chief Financial Officer
<b>Mr. Mahesh Thakar</b>	Company Secretary & Head Legal

## Bankers

- HDFC Bank Limited
- The Hongkong and Shanghai Banking Corporation Limited
- Kotak Mahindra Bank Limited
- State Bank of India
- Federal Bank Limited
- ICICI Bank Limited

## Statutory Auditors

**M/s. 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 take pleasure in presenting the 74<sup>th</sup> Annual Report along with Standalone and Consolidated Financial Statements for the year ended March 31, 2021. Your Company has embarked on a disciplined path of progression to redefine itself as a one stop end to end building solutions provider. While Roofing Solutions has been one of the biggest contributors since decades, the growth of Polymer Solutions, Building Solutions and Flooring Solutions along with other newer opportunities, your Company is objectively looking for growth profile from greener ventures profitably.

COVID-19 led to a complete breakdown of economy, livelihood and healthcare in Financial Year 21. The unprecedented shutdowns and loss of lives have never been witnessed in recent memory. To mitigate these headwinds and come out successfully, your Company has institutionalized ten cross functional teams to re-imagine HIL post Covid situation while continuing to build "OneHIL" with focus on health & safety, liquidity, cost optimization, effective customer connect through digital monitoring of greener pastures, lean and productive operations and various other activities to engage all relevant stakeholders. The business was systematically converted from a quarterly and monthly based target focus to a daily monitoring system, which brought further attention, harmony and impetus into the whole drive resulting in enhancing our abilities to harness the newer opportunities arising out of the fast-changing scenarios.

Looking back, your Company is proud of its committed and passionate employees and effectiveness with which they have channelled their efforts to overcome this challenging situation. While keeping the business and cash flow safe, the biggest organization-wide impetus was given towards safety and wellbeing of our employees. Your Company fast-tracked the SOPs, work instructions, video snippets and directions were made available across all locations, offices and depots, which were personally executed by a well formed central response team & local response teams at various locations to ensure business continuity and safety with fullest commitment towards social distancing, cleanliness and personal safety managing sustainability amidst rapidly spreading pandemic.

On the sales front your Company recognized the challenge that was posed due to closure of our Country from time to time in different pockets and therefore started utilizing extensively the digital and business intelligence tools and heat maps to focus at greener pastures with newer customer base in Tier II & Tier III cites and maximize revenue from these pockets. A very effective

contribution was also done by your Company towards building Covid centres and labour hutments in time of need for our Country, which also supported in building up our connect with the country wide fight against the pandemic.

Despite a challenging market environment, your Company delivered a resilient financial performance. Revenues remained buoyant with a good increase over previous year with stringent focus on cost optimization, penetration into new markets, expanding product base and getting the right product mix. Strategic market mapping and in-depth tabs on each region, ensured your Company to bounce back on growth trajectory and maintain its leadership position despite adverse market environment. Our ability to exploit data in a timely and smart way fortified by appropriate analytical tools in which we had invested, considerably enhanced the abilities of our multi-talented teams.

HIL continues to service European markets through its subsidiary, Parador GmbH, Germany. Despite facing challenges like closure of borders, distorted movements of people and goods, lock down restrictions hugely impacting the business operations, Parador demonstrated the zeal in true sense of "OneHIL". Parador, while abiding with the laws and guidelines, and following the social distancing norms, cleanliness, employee safety and wellbeing measures, utilized its capacity to the maximum at both of its manufacturing locations at Germany and Austria and delivered to the consumers through its innovative, contactless business models like DIY Stores & Digital Customer Studios.

Your Company's strength and ability to manufacture a variety of products in extremely challenging conditions catering to a dynamic market situation and maintaining appropriate inventory levels are mainly due to our steadfast focus, motivated people, advanced technologies, digitization processes continuous monitoring and financial resilience, which all contributed to nurture business opportunities resulting in superior performances. Our people have also distinguished themselves through their personal commitment and contributions, which has not only solidified our presence in the existing markets but also enabled us to create new opportunities in the coming years. We are also excited about our potential to enhance our efforts and maintain our commitment towards environmental sustainability.

With the above brief synopsis, your Directors' are pleased to present the financial performance of the Company, both on standalone and consolidated basis, for the year ended March 31, 2021:

## Summary of Financial Results

(₹ Crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	1596.45	1396.60	3066.19	<b>2618.79</b>
Earnings Before Interest, Depreciation & Tax	260.26	175.75	428.09	271.35
Less : Interest	18.69	31.17	27.84	38.52

(₹ Crores)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Depreciation	49.18	49.97	108.97	97.88
Profit Before Tax and Exceptional items	192.39	94.61	291.28	134.95
Add/(Less): Exceptional items / Profit / Income from JV	-	-	1.14	0.64
Profit before tax from operations	192.39	94.61	292.42	135.59
Less : Taxes	49.57	17.89	77.60	29.63
Profit for the year from operations	142.82	76.72	214.82	105.96
Profit before tax on sale of discontinued operations	60.56	-	60.56	-
Less: Taxes on profit on sale of discontinued operations	15.64	-	15.64	-
Profit from sale of discontinued operations	44.92	-	44.92	-
Total Profit before tax	252.95	94.61	352.98	135.59
Less: Total taxes	65.21	17.89	93.24	29.63
Total Profit for the year	187.74	76.72	259.74	105.96
Other Comprehensive Income – net of tax	0.08	0.11	9.14	18.24
Total Comprehensive Income for the year from operations	142.90	76.83	223.96	124.20
Total Comprehensive Income for the year	187.82	76.83	268.88	124.20
Basic Earnings Per Share (₹)	250.74	102.62	346.89	141.73

The above mentioned financial numbers include income and profit generated from discontinued operations.

## Revenue

Your Company achieved a net revenue from operations on standalone basis at ₹ 1570.38 Crores as against ₹ 1360.01 Crores in the previous year, an increase of 15.5% and on consolidated basis registered a net revenue from operation at ₹ 3048.06 Crores against ₹ 2594.12 Crores in the previous year recording a growth of 17.5%. The year has seen an exponential growth as “OneHil” team which has mitigated the crisis and redefined many of the business processes and norms. This model will continue in the coming years. Various aggressive cost saving initiatives have helped us to redefine our cost base thereby achieving better cost optimization along with lean operational models, augmenting the growth of your Company in coming years.

Your Company has come up with a Lead Generation and Management Portal, a one stop solution for all sales leads, which will augment leads from one business to other business vertical which in turn help the Company to service the customers at large.

While the pandemic continues to pose considerable headwinds to the safety of employees and business in general, your Company's set guidelines, a mature set of SOP's and newer ways of doing business, will help to wade through times in a disciplined and progressive manner. Your Company's attention is more focused towards safety of employees, as well as doing enough and more towards dealers, distributors, customers and plumbers, to help them wade through the difficult times and this responsibility will continue to separate this Company and live up to being extremely focused to support the community.

Your Company strongly believes that, in coming years, once the pandemic is over, the economy will emerge stronger, than

it ever was and it is pertinent time to focus on blueprint for new opportunities and gear up to drive transformations.

## Interest & Loans

During the year under review, interest cost reduced to ₹ 18.69 Crores on a standalone basis as against ₹ 31.17 Crores during the previous year. Your Company has taken this opportunity to redefine the working capital norms and re-shape the cost structure for each business with a lean set up to run the business more efficiently. On a consolidated basis, interest cost for the Financial Year 2020-21 stood at ₹ 27.84 Crores as against ₹ 38.52 Crores in the previous year.

The focus on cash generation persisted even in the subsidiaries as a result of which, Parador could partly prepay shareholder loan to an extent of Euro 5.5 million to the parent Company during Financial Year 2020-21. Your Company has repaid during the year ₹ 283.55 Crores to banks at standalone level in India and ₹ 331.83 Crores to banks at consolidated level. During the year, your Company has fully repaid the loan taken for acquisition of Parador GmbH, Germany.

## Profit Before Tax

During the year under review, your Company registered a standalone Profit Before Tax (PBT) from operations of ₹ 192.39 Crores as against ₹ 94.61 Crores in the previous year, recording a growth of 103%. Your Company could achieve this due to detailed planning and bringing in sharper focus on realizations, initiatives to boost sales, improve net sales realizations and adopting product specific / market specific models. These timely actions have

benefited your Company to deliver one of the best performing year in the history of HIL.

HIL International GmbH, Germany and its subsidiaries, have performed much better than expected, profit before tax on a consolidated basis for the year 2020-21 stood at ₹ 292.42 Crores as against ₹ 135.59 Crores in the previous year, recording a growth of 116%.

### Net Worth

On a consolidated basis, the Net Worth of your Company as at March 31, 2021 stood at ₹ 995.27 Crores as against ₹ 742.73 Crores in the previous year.

The Consolidated earnings per share (basic) for the year ended March 31, 2021 stood at ₹ 346.89 per share as against ₹ 141.73 per share for the year ended March 31, 2020 and the book value per share as at March 31, 2021 was at ₹ 1328/- as against ₹ 993/- as on March 31, 2020.

### Credit Rating

The credit ratings on Company's long term and short term facilities have been re-affirmed by the respective credit rating agencies and the same is furnished below:

Sl No	Agency	Type	Rating
1	ICRA	Long Term -Credit Facilities	'ICRA AA-/Stable'
2	ICRA	Short Term - Debt	'ICRA A1+'
3	India Ratings	Long Term - Term Loan	'IND AA-/Stable'

### Dividend

During the year under review, the Board of Directors declared an interim dividend of ₹ 15/- per equity share (150% of the paid-up value). Your Directors' are pleased to recommend a final dividend of ₹ 25/- per equity share (250% of the paid-up value) for your consideration and approval at the ensuing 74<sup>th</sup> Annual General Meeting of the Company.

With the proposed final dividend, the total dividend for the year 2020-21 works out to be ₹ 40/- per equity share (400% of the paid-up value) as against the total dividend of ₹ 20/- per equity share (200% of the paid-up value) declared in the previous year.

As per Finance Bill 2020, dividend declared / paid after April 1, 2020 will be taxable in the hands of the shareholders. Shareholders are requested to visit [www.hil.in/investor-relations](http://www.hil.in/investor-relations) for the FAQs on the dividend tax.

The total dividend outgo would amount to ₹ 29.97 Crores and the Company has transferred ₹ 10 (Ten) Crores to the General Reserves out of the profits for the year.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 24, 2021 to Friday, July 30, 2021 both days inclusive, for determining the

entitlement of the shareholders for the final dividend for the Financial Year ended March 31, 2021 and for annual book closure.

The Record Date for payment of final dividend is Friday, July 23, 2021 for determining the entitlement of members for final dividend for the Financial Year 2020-21.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board of Directors of your Company have adopted a Dividend Distribution Policy. The policy lays down a broad framework and factors which the Board would consider for deciding the distribution of dividend to its shareholders. The said policy is available on the Company's website <https://hil.in/investor-relations/policies/>

### Share Capital

The paidup Equity Share Capital as on March 31, 2021 was ₹ 751.97 Crores. During the year under review, the Company has issued 14,240 equity shares on exercise of options by an eligible employee 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 NSE Limited and BSE Limited. The annual listing fees for the years 2020 & 2021 have been paid to these exchanges.

During the year 2021, the Issued and Listed Capital of the Company has increased due to allotment of equity shares to eligible employee on exercise of options under HIL Employee Stock Option Scheme, 2015.

### State of Company's Affair

Covid-19, a global pandemic, has threatened the very existence of human life across the globe. It has caused what seems to be transitory pause to most of the businesses across the globe. Your Company is no exception to these challenges and its effects. During these time, key focus of the Company was on Employee Health and Safety along with cost optimization and cash flow management. Your Company has implemented a process of daily review of various costs to obtain immense cost discipline.

Your Company's dedicated approach with People Health, Safety, Liquidity and Optimized Cost Structure to run the business more effectively, has helped to convert this crisis into an opportunity and moving ahead the embarked growth trajectory.

During the first quarter of the year, the business performance of all products was severely affected. However, with the focused and committed approach combined with its unique and timely market/product based strategies your Company was successful in safeguarding its market leadership position in most of its products categories.

During the year, challenges such as sharp rise in prices of raw materials, local restrictions of movement of people, continuous challenges in Real Estate sector and various other reasons have played its role and impact on the business. However, Management had anticipated some of these emerging challenges and quickly began calibrating its responses by adopting product specific / market specific models. These timely actions have yielded results,

which not only helped the Company to overcome these problems, but also to come out with flying colours in India as well as in Europe

Your Company institutionalised “Six Sigma”, “Lean Management Systems” and “Learning Management Tool” across its manufacturing units and other key enabling functions which has helped to achieve operational excellence and supported the initiative of our continuing efforts in driving the costs effectively.

Your Company's in-house initiative “Nayi Disha”, an Idea Management Platform enabling employees to share their ideas for cost optimization and growth of the business, has seen a qualitative response from the employees. This platform is extensively utilized to harness employee involvement towards new idea generation and cost reduction.

### Roofing Solution

Your Company continues to maintain its market leadership position in this product category mainly backed by its loyal customers and retailers. Along with your Company's deep brand presence coupled with market penetration and dealer / sub-dealer connect activities, Digital Connect and ‘Cash is King’ approach has yielded a good outcome for the Company and helped to boost sales and improve net sales realizations.

The first quarter, which was always been the most favourable period for your Company, began witnessing certain challenges. It all began with nation-wide lockdown due to COVID-19 which impacted the demand, supply & logistics of our Fibre Roofing Sheets in rural parts of the Country. Then there was significant influence of increase in material cost, logistics constraints and liquidity crunch in the market. To add to these woes, availability of labour and drivers was also an issue. All these cumulatively had an adverse impact on the day-to-day operations during the season, still the commitment of employees and channel partners have made Financial Year 2020-21 a memorable year in the history of your Company.

Overall, despite the pandemic year and immense challenges, the roofing business ended the year with an impressive growth of 14% in volume terms over the previous year. Your Company is confident of consolidating its leadership position in the industry.

“Charminar” and “Charminar Fortune” brands continue to enjoy the trust of the customers backed by your Company's enhanced Customer centric approach, superior quality than competition, improved post sale customer service, deep routed supply chain network and widely spread depots and dealer network. This has helped the Company to manage the headwinds faced in the industry with ease.

### Building Solutions

Building Solutions business consists of Wet Walling and Dry Walling products, which caters to the various requirements of building industries/commercial spaces and infrastructure segments. Due to the pandemic and lockdown, overall demand was low throughout the year; however our all-out efforts resulted in improved Business performance during second half of the year.

In Financial Year 2020-21, your Company focused on growing the building solutions business by optimal utilisation of capacity. 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. Having achieved the maximum capacity utilisation

in the previous year, your Company has focused on process efficiency and lean management principles in these factories to optimize the cost further.

Business Challenges faced in the Building Solutions viz. drop of housing sales, delay in major housing sector projects along with the liquidity in the market impacted this sector as a whole and decline in revenue from this segment. To overcome these hurdles, various steps such as New Markets penetration, additional focus on Tier II & Tier III cities along with emerging territories like East and Jammu & Kashmir were implemented and have shown fruitful results.

### Wet-Walling Solutions

HIL, under the brand name “Birla Aerocon”, is India's leading manufacturer of Autoclaved Aerated Concrete (AAC) fly ash blocks and has a leadership position in the market. These blocks offer effective and practical solutions for current building regulations and are manufactured using latest technologies and are an excellent substitute for clay bricks, concrete and hollow blocks. They save up to 30% construction time in building internal & external walls and slabs while giving the desired strength.

Wet-Walling category consists of “Fly Ash Blocks”, an eco-friendly building material, “Smart fix”, “Smart Plaster” and “Tile-Adhesive” under the brand name “Birla Aerocon”. All products cohesively offer a complete range of solutions to the stakeholders in the Building Material industry. Tile-Adhesive is a new addition to this family and will be a compliment to other products in this category.

Fly Ash Blocks – an eco-friendly building material product, with unique combination of strength, low weight, cost-effectiveness and durability, continue to be the preferred choice among the builders and dealers.

During the year under review, Fly Ash Blocks registered de-growth of 17% in quantity terms over the previous year.

### 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 continue to work closely with various architects and designers to provide them requisite support by creating awareness about the properties of these products and its advantages and they continue to promote these products. During the year the Panels and Boards division registered a decline of 8% in quantity as compared to the previous year. However, our focus on new projects like COVID centres and additional healthcare facilities required due to pandemic, could keep the business momentum up. Your Company continues to maintain its preferred position in this category as well.

Building Solutions segment is presently operating at more than 90% capacity and given the strong efficiencies and brand reputation, this segment has performed extremely well in Tier II and Tier III markets. With Company's focus to expand its presence in Tier II & Tier III markets to ably cater to the upcoming Housing and infra projects, Company has identified the state of Odisha as one of the prominent place to establish its foot print and service the emerging nearby markets.

Your Company is in the process to expand its manufacturing foot print in the State of Odisha by setting up facility to manufacture

AAC Blocks, Solid Cement Panels and Fiber Cement Board under Birla Aerocon brand with a project outlay ₹ 82 Crores (approx.).

### Polymer Solutions

This vertical consists of Pipes & Fittings and Wall Putty marketed under the brand name "Birla HIL". The brand "Birla HIL" continued its growth trajectory even amidst the pandemic conditions.

#### Pipes & Fittings

During the year, Pipes & Fittings business vertical registered a healthy growth of 64% over Financial Year 2019-20 outperforming the industry. Your Company focused on aggressive channel expansion especially in Tier II and Tier III cities in order to achieve its growth. In addition, your Company continued its range expansion initiatives adding new SKUs in its portfolio of Pipes & Fittings. During the year, your Company focused on improving the brand visibility for Birla HIL through aggressive BTL drives and participation in Plumbing trade fairs and exhibitions.

HIL offers CPVC and UPVC Pipes and Fittings – these pipes are environment-friendly & far superior replacement for the widely used GI pipes. Because of their unique characteristics, Birla HIL CPVC and UPVC pipes, fittings and solvents are suitable for a broad range of applications. These plumbing solutions are the ideal choice, as they are corrosion resistant, durable, smooth, friction free and resistant to bacterial growth. CPVC pipes are cost effective with low maintenance cost and they are easy to install. Birla HIL Pipes & Fittings have a unique TrueFit™ technology which offers 100% leak proof joints and enhances the value propositions for consumers. Your Company also offers Birla HIL SWR Pipes, for sewage systems & Column Pipes Systems, which are easy & economical solutions for underground bore well water application in residential, commercial & industrial buildings.

A well thought investments into this segment has enabled us to augment several SKUs for both pipes and fittings to deliver composite solutions in both B2B and B2C segments.

#### Wall Putty

Birla HIL Wall Putty is another fast moving product in the building material category, where your Company is in commanding premium position in terms of quality and brand pull. Birla HIL Wall Putty is made with cutting edge "TRUE COLOUR" technology with a blend of white cement, superior minerals, German polymers and functional additives.

During the year, Wall Putty business continued its momentum by enhancing its presence in newer markets and territories especially in South and East. Wall Putty business vertical registered a growth of 38% over Financial Year 2019-20 outperforming the industry. In order to service the growing demand across various regions, your Company commissioned a manufacturing facility for wall putty in Golan, Gujarat in addition to adding multiple supply locations in South and East. During the year, your Company improved the brand visibility for Birla HIL through aggressive BTL activities.

In Financial Year 2020-21, polymer solutions business continued its growth momentum and strengthened its presence across the Country.

### Flooring Solutions

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. Parador's

Innovative and sustainable products make it highly complementary to the existing product portfolio, which will enable the Company to market its widened product range across the globe.

Introduction of E-business, through "Online Brand Store" and focus on "DIY Kits" were key success factors to positively impact Parador business, amongst the other factors, the highlights points being:

- "One Ground" brand campaign launched worldwide to promote new products, territories, while primary focus was on markets such as Germany, Austria and Switzerland which helped to achieve better growth despite having intermittent lock downs.
- The utilization of the plants improved to 72.1% in Financial Year 2020-21 from 67.6% in previous year.
- Higher focus was on Digitization including Industry 4.0, Digital Customer Studio to provide a walk-in feel for the customers.

During the year Parador Group has reported a Net Revenue of ₹ 1,479.34 Crores as against ₹ 1,239.04 Crores in previous year recording a growth of 19%. The Profit Before Tax for the year stood at ₹ 100.17 Crores as against ₹ 40.91 Crores in previous year recording a growth of 145%.

### Thermal Insulation

In the year 2019-20, the Company entered into a Business Transfer Agreement for Sale and Transfer of this business to M/s. Calderys India Refractories Limited for an overall consideration of ₹ 80 Crores, subject to terms of Business Transfer Agreement. The said transaction was completed as per the mutually agreed timelines during the year under review.

### Branding

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 and outreach programs.

Owing to the pandemic impact this year, your Company invested its efforts to enhance its digital presence and increase its brand salience in the minds of the consumers via online means. Influencer meets were done online where renowned architects had live conversations with stakeholders, consumers and answered Q&As on the future of wooden flooring. Birla HIL engaged in brand associations with ISH and Plumb skills Expo organised by Ministry of Skill, Development & Entrepreneurship, which are nationally recognized platforms and facilitate interactions between plumbers, architects and relevant stakeholders.

Our products were displayed through these platforms that garnered high visibility and resulted in lead generation. Charminar leveraged ubiquitous B2C and B2B e-commerce platforms like Amazon, Indiamart, TradeIndia along with different social media platforms to generate leads and drive digital sales along with arranging channel partner conferences, influencer connect and leveraging loyalty programs.

Our extensive engagement with the plumbers, architects, masons and the channel partners with a focus on building a strong digital platform offering our entire range of products have fortified the efforts and resulted in a good performance despite challenges.

## Awards

### Great Place to Work, 2021

Your Company is proud of being certified as a “Great Place To Work” for the third time in a row for 2021-22, the employee satisfaction score has increased to 86% from earlier 82%. Winning this coveted title for a third time reassures that our employees take pride in working at HIL and feel like a family unit. This is a result of commendable efforts taken by the management towards building an impeccable performance-based organization. Also, your Company was in top 30 in the manufacturing segment last year. Happy to inform that this year your Company has been chosen to be amongst the Top 100 Companies in India and No. 1 in the Building Material and Cement Industry.

### Economic Times - 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 2020’ by The Economic Times, for a third time in a row 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.

### 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 image, 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.

### Brand of the Year, 2020 – The CEO Magazine

The CEO Magazine covers India’s best brands on a quarterly and yearly basis covering the achievements of the brand and the brains behind the company. Your Company featured in its latest issue encompassing the brand being a market leader in the Indian subcontinent and its growing recognition in the international market.

### MUSE Design Award, 2020 - Parador

Parador Germany has won Gold in the category of Product Design at the MUSE Design awards. The MUSE Creative and MUSE Design Awards are international competitions aimed at professionals in the creative and design industries who help to open up new horizons for their industry. Under the management of the International Awards Associate (IAA), both awards are judged by a jury of professionals who have received awards in an international context. IAA oversees the awards and recognition programmes, assembles the juries and sets strict standards for both competitions.

### German Design Award, 2020 – Parador

Parador Germany got selected as a winner for Parador Online Brand Store in the category Excellent Communications Design – Web. Outstanding design means providing answers to the challenges of our time and thinking design further ahead. The top-class international jury honours these groundbreaking design achievements - and the German Design Awards make the design trends visible across all sectors in a glamorous setting.

## Management Discussion & Analysis Report

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

### Directors’ & Key Managerial Personnel

During the period under review, there were no changes to the Board of Directors of your Company. Pursuant to the provisions of Section 149 & 184 of the Companies Act, 2013 and under Regulation 25 of SEBI (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 SEBI Regulations and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

In accordance with 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 74<sup>th</sup> Annual General Meeting and being eligible, offers himself for re-appointment. The brief 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 203 of the Companies Act, 2013, details of the Key Managerial Personnel of the Company.

Sl No	Name of the Person	Designation	Remarks
1	Mr. Dhirup Roy Choudhary	Managing Director & CEO	-
2	Mr. KR Veerappan	Chief Financial Officer	-
3	Mr. Mahesh Thakar	Company Secretary & Head Legal	Appointed w.e.f February 2, 2021
4	Mr. Ashish Malhotra	Company Secretary & Head Legal	Appointed w.e.f August 14, 2020 and resigned w.e.f September 30, 2020
5	Mr. G Manikandan	Company Secretary & Financial Controller	Resigned w.e.f August 13, 2020.

There were no other changes in the Key Managerial Personnel of the Company and Company is in compliance with the required provisions of the Companies Act, 2013.

## Board & Committees

### Board Meetings

The Company has a professional Board with an optimum combination of executive, non-executive and independent directors (including one woman director) who bring to the table the right mix of knowledge, skill and expertise. The Board



provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

During the year, Six (6) 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 are 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are disqualified under Section 164(2) of the Act. Certificate on non-disqualification, as required under Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is forming part of the Corporate Governance Report forming part of this Annual Report.

### Independence of the Board

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Act:

1. Mr. V V Ranganathan
2. Dr. Arvind Sahay
3. Mrs. Gauri Rasgotra

All the above Directors have registered themselves with the Independent Director's Data Bank. The Company has received necessary declarations from each Independent Director under Section 149 of the Act and Regulation 25 of the Listing Regulations, confirming that he / she meets the criteria of independence laid down in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

### 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, Four (04) 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 and Remuneration cum Compensation Committee

Nomination and Remuneration cum Compensation Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. During the year, Five (5) 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 and Remuneration cum Compensation Committee.

#### Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual directors was carried out for the financial year 2020-21.

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 against various criteria such as composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership etc. The performance evaluation of the respective Committees and that of independent and non-independent directors was done by the Board excluding the director being evaluated.

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board with specific focus on the performance and effective functioning of the Board and Individual Directors and the same is taken note by the Nomination and Remuneration Cum Compensation Committee.

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 the Non-Independent Directors.

Based on the recommendation of the Nomination and 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 SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the following is the matrix of skills and competencies on which all Directors are evaluated:

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

Disclosures as required are given in the Corporate Governance Report which forms part of this Annual Report.

### 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given and explained to a new Director.

Pursuant to Regulation 25(7) of Listing Regulations, conducting familiarization programmes for the Directors in the Company is a continuous process, whereby Directors are informed, either through presentations at the Board or committee meetings, board notes, interactions or otherwise about industry outlook, business operations, future strategies, business plans, competitors, market positions, products & new launches, internal and operational controls over financial reporting, budgets, analysis on the operations of the Company etc. Pursuant to Regulation 46 of Listing Regulations, the details required are available on the Company's website <https://hil.in/investor-relations/familiarization-program/>.

### 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 is 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 "[https://hil.in/investor-relations/policies/CSR Policy](https://hil.in/investor-relations/policies/CSR%20Policy)".

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 ₹ 2.36 Crores and the Company has spent ₹ 3.08 Crores on CSR activities in the areas of Preventive healthcare including PM Cares Fund and education.

During the year under review, your Company has transferred ₹ 3.00 Crores to PM Cares Fund to support the fight against Covid-19 Pandemic.

### 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year Four (04) 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.

### Risk Management Committee

In terms of the provisions of the Listing Regulations, your Company has constituted a Risk Management Committee comprising of all the members of the Audit Committee along with the Managing Director & CEO, Chief Financial Officer and Head – Internal Audit of the Company. The Risk Management Committee is mandated to review the risk management process of your Company. The Company Secretary acts as the Secretary to the Committee.

The Company has an elaborate Risk Management framework in place, which helps in identifying the risks and proper mitigation thereof and also lays 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 Risk Management Committee, Audit Committee and the Board have reviewed the elements of risk and the steps taken to mitigate the identified risks. In their opinion, apart from the existing challenges posed by the Covid pandemic, 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.

### Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the Financial Year 2020-21 can be accessed through the web link on the Company's website <https://hil.in/investor-relations/2021-annual-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, 2021 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, 2021.

- 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, 2021 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 and best corporate practices. The report on Corporate Governance for the year ended March 31, 2021 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as **Annexure (III)**. The Certificate from the Auditors of the Company M/s. B S R & Associates LLP., Chartered Accountants, [ICAI Firm Registration Number: 116231W/W-100034] regarding compliance of conditions of Corporate Governance is attached to the report of Corporate Governance forming part of this Annual Report.

## Policies

### Vigil Mechanism

Pursuant to the requirement laid down in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company has a Whistle Blower Policy as part of its Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The Vigil Mechanism framework ensures that strict confidentiality is maintained whilst dealing with reported concerns and that no discrimination whatsoever is allowed to be practiced against any person who has genuinely raised a 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](mailto: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](http://www.hil.in) on the following link <https://hil.in/investor-relations/policies/>

The complaints received under Vigil Mechanism Policy will be investigated thoroughly and detailed update including action taken, if any, on the same will be presented to the Audit Committee and Statutory Auditors of the Company. There was one complaint received during the year and the same has been resolved.

## 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 SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Nomination & Remuneration Policy is also posted in the Investors section of the Company's website [www.hil.in](http://www.hil.in) on the following link <https://hil.in/investor-relations/policies/>

## Sexual Harassment Policy

Diversity and Inclusion is one of the major thrusts of your Company enabling 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 appropriate working conditions. As per provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" the Company 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 and details as per Section 21 and 22 of the POSH Act are as under:

Number of cases pending as on the beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of cases pending as on the end of the financial year	Nil
Number of workshops or awareness programs 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 into 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, the Board and shareholders, wherever such approval is required as per the provisions of Section 188 of the Act, rules made thereunder, Regulation 23 of the Listing Regulations and applicable Accounting Standards. Prior omnibus approval is obtained for Related Party Transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length.

All Related Party Transactions entered during the financial year 2020-21 were in ordinary course of business and at arm's length basis. Your Company did not enter into 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 (IV)** to this report.

The Related Party Transaction Policy of the Company is available on the Company's website <https://hil.in/investor-relations/policies/>

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.

### Other Policies

The Company has also adopted the following policies, as required by Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the same are available on the website of the Company (<https://hil.in/investor-relations/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

Your Company has in place adequate internal control systems commensurate with the size of its operations. Internal control systems comprising of policies and procedures are designed to ensure sound management of your Company's operations, safekeeping of its assets, optimal utilisation of resources, reliability of its financial information and compliance. Clearly defined roles and responsibilities have been institutionalised. Systems, processes, and procedures are periodically reviewed and appropriately revised to strengthen them to mitigate

emerging risks associated with the growing size and complexity of your Company's operations.

### Auditors

#### Statutory Auditors

The Company's Statutory Auditors, B S R and 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 70<sup>th</sup> Annual General Meeting (held on July 18, 2017) till the conclusion of the 75<sup>th</sup> Annual General Meeting to be held in 2022. Accordingly, BSR and Associates LLP, Chartered Accountants, Statutory Auditors of the Company will continue till the conclusion of 75<sup>th</sup> Annual General Meeting. In this regard, the Company has received a confirmation 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

B S R & Associates LLP, Chartered Accountants (ICAI Regn. No. 116231W/W-100024) who are the statutory auditors of the Company has issued an unmodified Auditor's Report (Standalone & Consolidated) for Financial Year ended March 31, 2021 and the Auditors have not reported any matter under Section 143 (12) of the Act, and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

#### Internal Auditors

The Company has an effective fulltime in-house and professionally competent internal audit team, which regularly monitors the effectiveness of the internal control systems. This function reports to the Audit Committee and the Managing Director about the adequacy and effectiveness of the internal control systems of your Company as well as the periodical results of its review of the Company's operations as per an internal audit plan duly approved by the Audit Committee. The in-house internal audit team works in tandem with M/s. Ernst and Young, LLP, whose professional services have been availed by the Company to audit specific locations and processes as per the Internal Audit plan approved by the Audit Committee. Together they provide a robust framework.

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

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 M/s. S.S. Zanwar & Associates, as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022 at a remuneration of ₹ 7 Lacs plus out of pocket reimbursements. The requisite resolution for ratification of

remuneration of Cost Auditor by the shareholders of the Company has been set out in the Notice of ensuing Annual General Meeting. The Cost Auditor has certified that their appointment is within the limits as prescribed under Section 141(3)(g) of the Act and that they are not disqualified from such appointment within the meaning of the said Act.

The Cost Audit report for the financial year ended March 31, 2020 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.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Regulation 24A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and rules framed thereunder, the Board of Directors, on recommendation of the Audit Committee, appointed M/s. P.S. Rao and Associates, Company Secretaries to undertake the secretarial audit of the Company. Company has received a certificate from the Secretarial Auditor, inter alia, confirming that their appointment is within the limits laid down by the Act and rules made thereunder, is as per the term provided under the Act, they are not disqualified for being appointed as Secretarial Auditor under the provisions of applicable laws and also that there are no pending proceedings against them involving matters of professional misconduct.

The Secretarial Audit Report issued by M/s. P.S. Rao & Associates, Company Secretaries for the financial year ended March 31, 2021 is given in **Annexure (V)** attached hereto and forms part of this report. The report does not contain any qualifications, reservations or adverse remarks.

The Company has undertaken an audit for the Financial Year 2020-21 for all applicable Securities and Exchange Board of India ("SEBI") compliances as per circular dated February 8, 2019 issued by SEBI. The Annual Secretarial Compliance Report issued by M/s. P.S. Rao & Associates, Company Secretaries has been submitted to the Stock Exchanges within the prescribed time limit and is forming part of the Corporate Governance Report.

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.

### Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

### 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, 2021.

### Subsidiaries and Joint Ventures

The following is the group structure of your Company:

SI 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
2	HIL International GmbH	Subsidiary (Wholly Owned Subsidiary)	Germany, July 3, 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

In compliance with the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 your Company has appointed Dr. Arvind Sahay, Independent Director as a Director on the Board of HIL International GmbH, Germany (wholly owned subsidiary). Dr. Arvind Sahay will hold office as a Director in HIL International GmbH, Germany upto March 31, 2022.

### 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 hold the remaining 67% of the share capital in Supercor.

During the year there is no significant development at Supercor Industries Limited. Company has already suspended its operations since the year 2016 due to cash flow crisis. Your Company has already informed the Board of Supercor Industries Limited about its intention to sell its stake and has not been participating in any of the discussions of the Board / Management for last 3 years. The Interim Board set up by the Nigerian Government is not responsive and your Company is awaiting to hear from the Board of Supercor Industries Limited for deciding further course of action.

In view of the above, your 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 is attached as **Annexure (VI)** to this report.

### Consolidated Financial Statements

The Consolidated Financial Statements has 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 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 two operative Employees Stock Option Schemes i.e HIL Limited Employees Stock Option Scheme, 2015 and HIL Limited Employee Stock Option Scheme, 2019, 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(s) of the Company in accordance with the Securities and Exchanges Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations").

During the year there were no new options granted to the employees of the Company.

The details of Employee Stock Options pursuant to Section 62 of the Companies Act, 2013 read with Rules made thereunder and SEBI (Share Based Employee Benefits) Regulations, 2014 and erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are provided in website of the Company <https://hil.in/investor-relations/2021-annual-report/>

Certificate from M/s. BSR & 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 SEBI Regulations 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 (VII)** 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.

### Human Capital and Industrial Relations

Your Company believes that the quality of its employees is the key to its continued growth and success. Hence, HIL is committed to providing necessary Human Resource development and training opportunities to equip employees with new skills to enable them to adapt to contemporary technological advancements. We practice and promote an open, fearless and transparent, value based culture in the organization. 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 stable and peaceful 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 trust, co-operation, confidence and respect, duly recognizing the rights of the workers. A robust labour law compliance mechanism is in place to help the organization run its businesses in the most ethical and efficient manner.

Your Company's employee engagement program – JOSH – makes learning activities fun by indulging in various programmes like festive celebrations, sports events, health care activities, cultural nights with family events, etc. to create an overall healthy work environment. We are committed to build an open and transparent culture, through which employees can provide feedback without any fear. The organization is committed to the welfare and career growth of its people.

### 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 (VIII)** attached hereto and forms part of this report.

### Business Responsibility Report

Regulation 34(2)(f) of the Listing Regulations mandates the inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 500 listed companies which was thereafter amended to top 1000 listed companies with effect from December 26, 2019, based on market capitalization as on March 31 every year. In compliance with the Listing Regulations, BRR of your Company for the Financial Year 2020-21 is included in the Annual Report.

Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social

responsibility while setting aspirational targets and improving economic performance to ensure business continuity and rapid growth.

### 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, 2021 to which the financial statements relate and the date of signing of this report.

During the year, there is no application made or any proceeding pending on the Company, under the Insolvency and Bankruptcy Code, 2016.

### Change in the Nature of Business

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

### Other Statutory Disclosures

Your Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions related to these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issues of sweat equity shares.
3. Provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

### 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 relating to the Final Dividend for the year 2012-13, have 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 2012-13 (list of the shareholders along with the unclaimed dividend details are available on the website of the Company <https://hil.in/investor-relations/unclaimed-dividend-shares-due-to-transfer-to-iepf/> 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

Your Directors take this opportunity to thank all the stakeholders of the Company for their continued support and express their sense of gratitude to the customers, vendors, banks, financial institutions, channel partners, business associates, Central and State Governments for their co-operation and look forward to their continued support in future. Your Directors wish to place on record their sincere appreciation for the contribution made by the employees at all levels and applaud them for their superior levels of competence, dedication and commitment towards your Company.

On behalf of the Board of Directors

Place: London  
Date : May 14, 2021

**CK Birla**  
Chairman  
(DIN No. 00118473)

# Annexure(s) to the Directors' Report

## Annexure (I): Management Discussion & Analysis Report

### Global Economy

In early 2020, the Global Economy faced one of the biggest crises caused by the Covid-19 pandemic, which presented enormous challenges to the health systems and spurred widespread shutdowns, business closures and job losses. Nearly all countries faced an unprecedented economic downturn raising concerns of a slide to one the deepest recessions since World War II. Globally, nations impacted by the pandemic implemented strict restrictions on transport and public movement, along with hygiene regulations and social distancing norms. Majority of the countries took crucial steps to minimize the impact of the Covid-19 pandemic on healthcare and the economy, protect susceptible population, and pave the path for recovery. Although the road to normalisation is still long and weary, the year has passed by with most countries experiencing basic level of recovery, which will contribute to a moderate growth of around 3.8% in Financial Year 2022.

The expected recovery in Financial Year 2022 and beyond will depend heavily on the evolution of the pandemic, which will in turn be influenced by the possibility of a widespread effective vaccination. In advanced economies, precautionary social distancing and stringent lockdowns in response to surging Covid-19 cases, triggered an unprecedented collapse in the demand and supply of services in mid-2020. After tightening early last year, global financial conditions have eased considerably. About 40% of the fiscal support from governments in Emerging Markets & Developing Economies (EMDEs) constitutes liquidity support measures such as loans, equity injections, and guarantees. Some governments have also encouraged banks to make use of available capital and liquidity buffers to support lending. EMDE growth is projected to pick up to 5% in Financial Year 2022 and moderate to 4.2% in 2023, near its potential pace.

Ambitious policy reforms to support investment, improve education, and raise labour force participation could reverse much of the adverse impact of the pandemic on potential growth prospects over the next decade. Institutional reforms could strengthen investment and output growth prospects, as they have done in the past.

### Indian Economy

In India, the Covid-19 pandemic has hit the economy at a time when growth was already decelerating. Output is estimated to have fallen by 9.6% in Financial Year 2020-21, reflecting a fall in household spending and private investment. Services sector – mainly in urban areas such as retail – was severely affected and contracting for most of 2020, paralysing consumption and resulting in significant unemployment. Fiscal policy has provided some support but more may be needed. Monetary policy actions have brought decline in real interest rates. The informal sector,

which accounts for four-fifths of employment was also impacted and experienced major income losses. India is projected to post a current account surplus in Financial Year 2020-21, mainly driven by weak domestic demand, after almost two decades of deficits. Equity markets have regained all losses suffered during the first half of 2020 and foreign exchange rates are only slightly weaker than pre-pandemic valuations. With the economy brought to a standstill for two complete months, the inevitable effect was 23.9% contraction in GDP as compared to previous year's quarter. This contraction was consistent with the stringency of the lockdown.

### Outlook

India is expected to emerge as the fastest growing economy in the next two years with a projected GDP of USD 5 trillion by Financial Year 2025 and could become the third largest consumer economy as its consumption may triple to USD 4 trillion by 2025, owing to changing consumer behaviour and expenditure habits. It is expected to be the second largest economy surpassing the USA in terms of purchasing power parity (PPP) by 2040. Government has put forth emphasis on self-regulation, self-attesting and self-certification and plans to reduce more than 6,000 central & state level compliances this year to minimise their burden on companies, especially Micro, Small & Medium Enterprises (MSMEs). The government wishes to increase efficiency of the Indian companies and boost efforts to make manufacturing in India globally competitive.

### Roofing Industry: Fibre Cement Sheet Market

Fibre cement products continue to remain as the preferred choice in the construction industry as a convenient and durable product. Prepared from a homogeneous mixture of cement, pozzolana, a high-quality cellulose fibre and siliceous foundation binders.

The sheets are being extensively used for roofing, cladding, and siding applications. It is light-weight, heat and fire resistant and weatherproof. It is also being utilised for cattle sheds, poultry farms, factories and warehouses. Due to its affordability and reliability as a sturdy material, its demand continues to grow in rural areas, where fibre cement sheets are highly preferred for construction purposes.

The roofing industry is worth ₹ 42,000 Crores and is expected to grow at the rate of 6-8% in the coming years, depending on GDP growth, rural income, and monsoons. In India, the fibre cement roofing industry has a demand worth approximately ₹ 12,000 Crores, with kutcha and semi-pucca houses offering an incentive. The demand for fibre cement boards and panels is worth ₹ 1,000 Crores.

With the decrease in the GST rate for roofing products, metal sheets, a competitive commodity, have been kept at the pre-GST rate of 18 percent, making Asbestos Cement (AC) sheets more cost competitive than substituted materials. The market for Asbestos



Cement Fiber Sheets (CFS) in India is an oligopoly, with the top four companies holding 60% of the market.

Cement fibre sheets are primarily a rural commodity, and thus, the demand is inextricably linked to the rural economy. The government's emphasis on doubling the farmers' income by 2022 is likely to strengthen rural spending in the coming years. These rising income levels are projected to fuel housing demand and AC sheets are expected to be the first alternative shift option due to its low cost.

The Covid-19 pandemic at the beginning of the FY 2020-21 has taken a toll on most industries in India, including the fibre cement sheet market. The nationwide lockdown halted construction for almost 2 months, impacting the demand for fibre cement sheets. Moreover, the reverse migration of labour also affected the sector severely.

However, government initiatives focused on infrastructure development are expected to revive demand for fibre cement sheet roofing in India. The government has announced ₹ 20 Lacs Crores stimulus package to fight against the recession which resulted from the outbreak of Covid-19 pandemic. The National Bank for Agriculture and Rural Development (NABARD) of India has provided additional re-finance funding of ₹ 300 billion (₹ 30,000 Crores) for meeting crop loan requirements of Rural Cooperative Banks and RRBs (Rural Regional Banks) to provide financial assistance to the rural economy.

### Growth drivers

- **Construction projects:** The construction industry in India is one of the largest in the world and its continuous focus on urban development creates significant demand for quality roofing solutions.
- **Non-residential demand:** Demand for sturdy roofing solutions in commercial structures like offices, parking lots etc. are substantial growth drivers for the industry.
- **Government Support:** Numerous government schemes providing financial assistance for building superior quality infrastructure including National Infrastructure Pipeline (NIP), Housing for All and, Affordable Rental Housing Complexes Scheme are likely to provide a major boost to the roofing industry in India.

### Outlook

The Indian Fibre Cement Market is expected to touch \$4.2 million by 2025, at a CAGR of 6.7 percent from 2020 to 2025, owing to increased construction activity across the country. A growing population calls for increased investment in construction projects. It is anticipated to drive the demand for fibre cement sheets. Besides, economic and industrial progress along with capital investments in public infrastructure projects are likely to have a positive effect on this sector.

### Real Estate Industry in India

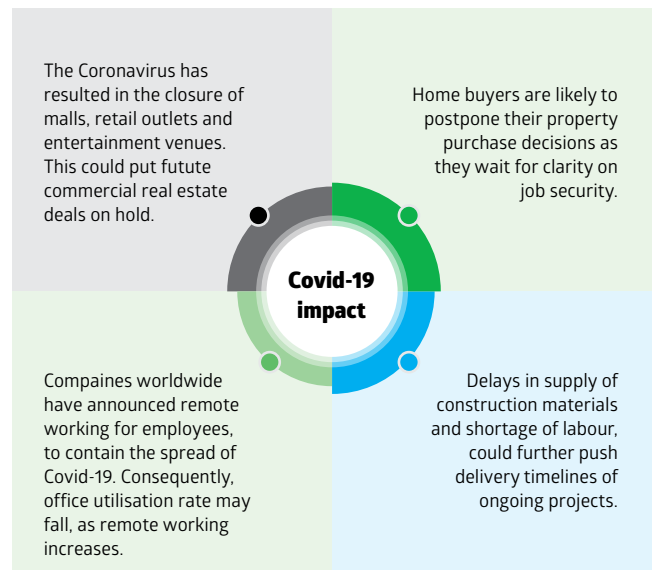
Real Estate is a vital component of the Indian economy, accounting for a significant portion of construction spending and the nation's infrastructure development. The Indian real estate market has witnessed several headwinds in the last two years owing to policy

changes and crisis in NBFCs (Non-Banking Financial Company). With plummeting sales and a liquidity crisis, the growth prospects of this segment were severely hampered.

The Covid-19 outbreak in Financial Year 2020-21 further affected the real estate sector. As economic activity stalled due to the nationwide lockdown, construction projects stopped indefinitely. The demand for new property continued to dwindle during the pandemic and the real estate industry experienced some of its most difficult times during the lockdown, between March and June 2020, as property sales plummeted to near-zero levels.

### Outlook

By 2030, India's real estate market is estimated to be worth \$1 trillion. By 2025, it will account for 13% of the country's GDP. The demand surge is expected to be mainly driven by sectors such as education, healthcare, logistics and ecommerce. Moreover, the increasing influx of Foreign Direct Investment (FDI) is likely to facilitate transparency in the Indian real estate sector. The sector is estimated to attract a significant amount of FDI over the next two years, with a capital injection of USD 8 billion by Financial Year 2022.



### Flooring Industry

Increasing urbanisation, a burgeoning population, industrial growth and rising disposable income are the major factors driving the growth of the global flooring market. In recent years, renovation projects have considerably gone up and this has further driven the flooring industry.

The construction and flooring industry in global geographies like China, Germany, Austria and other European countries faced severe headwinds due to the Covid-19 pandemic in the last year. Even after the negative effects of pandemic, Germany flooring market is expected to see an upswing, as young population has largely influenced choices and as they search for attractive and functional flooring material, the market remains poised to witness an upward trajectory in coming years. The demand for fascinating floor colours and aesthetic designs that blend well with modern

interiors continue to create strong demand for superior quality flooring solutions in Germany.

During the lockdown in Germany, a far more number of our DIY partners remain opened to cater consumers' demand. Further, the introduction of E-business in 2019, online brand store in 2020 and drop shipping have really delivered good result during the year.

### Outlook

The increased consumer demand for flooring products is a result of people spending more time in their homes and working remotely. This trend is encouraging increased investment in home redecorating (a leading indicator of future flooring spend) across all the markets where the Company operates. Savings rates – particularly of consumers that form target market – have soared this year and, with limited options for spending, consumers are prioritising redecorating their home – a trend we believe will continue for the foreseeable future.

The increasing government spending on infrastructure projects is estimated to boost demand for advanced flooring solutions in all major economies of the world. Furthermore, the industry's growth is expected to be fuelled by the invention of convenient installation methods, the availability of innovative technology, and the growing market for sustainable products. Increased investment and a strong Research and Development (R&D) framework is expected to contribute towards the healthy growth of the industry.

### Company Overview

Founded in 1946, HIL Limited is the flagship company of the CK Birla Group. Since more than 7 decades, the Company has sustained its leadership position in the market with its extensive array of building materials and innovative solutions. HIL is dedicated to delivering sustainable, high quality, and future-ready products to its customers. It has a diversified product portfolio of eco-friendly products that are designed to meet constantly evolving customer requirements. Over the last 4 years, the company management has taken key and determined initiatives towards making HIL as a global building materials one stop solution.

The Company has 22 state-of-the-art manufacturing facilities in India and 2 facilities in Germany and Austria. It also has efficient R&D facilities in Germany and India. The Company's broad geographical presence, spanning across 80 countries in the world, allows it to maintain a strong distribution network. The Company strives to build and sustain lasting relationships with stakeholders and customers, offering them new-age choices for sustainable and ecologically viable products.

### Key Strengths

- **Operational Excellence:** HIL strives to achieve highest standards of excellence by delivering superior quality products that comply with the norms of corporate social responsibility, safety, health and environment. The Company has implemented lean Six Sigma practices, Industry 4.0 and Business Intelligence Tools at its various manufacturing location in India and Europe, which are expected to deliver greater efficiencies in the coming years.

- **Innovation:** In response to a fast-changing business environment, HIL relies on its innovative capabilities to deliver superior quality and advanced products.
- **Diversified product portfolio:** The Company has a vast product portfolio, ranging from roofing, walling, flooring solutions and polymer solutions to engineering solutions. The Company is also dedicated to offer sustainable products that minimize its impact on the environment.
- **Robust R&D mechanism:** HIL continuously strives to add value to its existing products while developing new products for the market. The Company believes in strengthening its Research and Development capabilities and utilises advanced technology to improve its manufacturing capacities. The latest eco-friendly roofing solutions developed by the R&D is one of its kind in the world and has huge potentials to grow in Indian and in global markets.
- **Diversified Geographic Presence:** The Company has a diversified footprint in India with 22 manufacturing facilities and an extensive network of more than 6500 retailers and around 39 depots. Additionally, the Company has 2 manufacturing facilities in Europe and a strong international presence in more than 80 countries around the globe.
- **Dedicated and engaged management and workforce:** The committed and dedicated workforce of HIL is one of its greatest strengths and it enables the Company to reach greater heights of success. Being certified Great Place to Work is a true recognition of the culture created in the company towards harnessing a truly committed 'One HIL' Team.
- **Product Leadership:** Charminar, Birla Aerocon, Parador are all established market leaders in their product segment and have received accolade from well-respected international bodies over the years. Birla-HIL is gaining good traction in the last few years since its inception.
- **Governance led practices:** Corporate Governance and ethical values drives HIL towards ensuring all compliances and keep the flag flying high

### Product Portfolio

HIL have a varied and diversified portfolio, it caters to all types of clients in the building material industry. The focus is on building sustainable and eco-friendly products which will be the next leap of growth for the industry.

#### Roofing Solutions

HIL's Charminar brand is a market leader in roofing solutions in India. Roofing Solution comprises of the following namely; Fibre Cement Sheets, Coloured Steel Sheets and Non-asbestos cement based corrugated sheets.

The Charminar Fibre cement sheets are a composite building and construction material, used mainly in roofing and facade applications because of its strength and durability. Fibre cement sheets are used in the construction of industrial buildings, warehouses, sheds and in houses. It is India's number one roofing choice for every building requirement. They are economical, lightproof & fire resistance, and have aesthetic appeal. HIL has introduced coloured fiber cement sheet during the previous year and the initial response has been very positive. In addition to the normal grey colour

product also comes in bright red colour. HIL surpassed the world's production record of fibre cement sheet by producing 550 MT per day in one single line of operation.

Charminar Fortune, a non-asbestos cement sheet is an eco-friendly sheet. The light-weight body, fire & termite resistance formulation enhances the product's longevity hence it will prove to be economical in the long run. It's the next-gen roofing innovation meant to delight the end consumer, influencers, and channel partners.

- **Building Solutions**

HIL, under the brand name "Birla Aerocon", is India's leading manufacturer of autoclaved aerated concrete (AAC) fly ash bricks and has a leadership position in the market. These blocks offer effective and practical solutions for current building regulations and are manufactured using latest technologies and are an excellent substitute for clay bricks, concrete and hollow blocks. They save up to 30% construction time in building internal & external walls and slabs while giving the desired strength.

Birla Aerocon dry walling consist of four products namely, panels, fibre cement boards, smart bonds and designer boards. These Panels are light weight, fire and water resistant sandwich panels. They are used for mezzanine flooring, boundary/fencing, and partitions in corporate offices, residential spaces and also in educational institutes.

- **Polymer Solutions**

HIL offers CPVC and UPVC pipes and fittings – a more eco-friendly technology. Because of its unique characteristics, Birla HIL CPVC and UPVC pipes, fittings and solvents are suitable for a broad range of applications. These plumbing solutions are the preferred choice, because they are corrosion resistant, durable, smooth, friction free, resistant to bacterial growth and environment friendly. CPVC pipes are cost effective with low maintenance cost and they are easy to install. Birla HIL solutions have a unique "Trufit" technology which enhances the value propositions for consumers

UPVC pipes are lightweight and cost effective too with lower maintenance cost. These pipes are made up of UV-resistant materials, ensuring that they do not lose their mechanical properties even under greater exposure to sunlight. HIL also offers Birla HIL SWR Pipes, for sewage systems & Column Pipes Systems, which are easy & economical solutions for underground bore well water application in residential, commercial & industrial buildings. They are loaded with many first-of-its-kind technological advancements, which make them the best column pipe systems available in the country.

A well thought investment into this segment has enabled us to augment several SKUs for both pipes and fittings to deliver composite solutions to both B2B and B2C Customers.

Birla HIL Wall Putty is another fast moving product in the building material category, where HIL is commanding premium position in terms of quality and brand pull. This product drives synergy from Pipes & Fittings sales which helped to scale the business during last year.

In Financial Year 2021 polymer business growth was robust and HIL continues to focus its efforts on branding and provide a wide bouquet of SKUs to strengthen its presence in the market.

- **Flooring Solutions**

**Parador Germany** – Parador manufactures engineered wood flooring, laminate flooring and vinyl flooring in its factories in Coesfeld, Germany and Gussing, Austria. Parador's philosophy is "**Living Performance**" and strives to make high quality & high design concept products that make every space beautiful. Parador is present across 80+ countries in the world and has over 4500 retail partners globally. It also has a strong presence in DIY (Do It Yourself) and e-commerce channels, especially in Germany and rest of Europe. An unwavering focus on product quality, sustainability, strong design led R&D and technology enabled sales and customer service makes Parador a company ready to take on the future. Parador is a renowned brand in the flooring market globally and has won several accolades over the years.

With the alignment of culture and training programmes, Parador is eyeing for the next level of growth in countries like, Spain, France UK and Nordic region. The Company's JV in China is also expected to grow significantly in the coming years. The new product innovation is being pursued with lot of vigour at the Parador plants and the company has received Gold Award for European Product Design and Iconic Award for Innovative Architecture and Interiors.

### Wind Power

There was no incremental investments in this segment during the year. Existing capacity is of 9.35 MW with Wind Turbine Generators installed at Gujarat, Tamil Nadu and Rajasthan. Electricity Generated from Tamil Nadu and Gujarat generators are used for captive consumption and any excess generation is sold to DISCOMs of the respective states.

### Research and Development

HIL's pride in having a world class R&D centres in India and in Germany to cater to various innovations round the clock. This division is dynamic in supporting the pursuit for continuous improvement and delivering more value to our customers. As a result of our extensive R&D efforts, we have successfully developed and patented our products and processes. Our dedicated team of scientists and engineers constantly work on product upgrades, optimum utilisation of raw materials, development of substitute materials, new products and applications. The advanced R&D facility and our top-notch team has enabled our pioneering efforts and helped maintain the market leadership position. The Investments in R&D have been a continuous trend to enhance the capability, and in this direction the latest polymer lab installed in India enables us to stay ahead of curve in polymer solutions.

### Innovation and Digitalization

Innovation and Digitalization are crucial drivers of HIL's continued evolution. It covers all aspects of our business and helps create new platforms for growth, enhances agility and generates efficiencies. We are advancing as a digitally enabled and data-intelligent business and continuing the theme of innovation we have introduced many more solutions to cater to ever changing business needs and the pandemic has played a crucial role in how we rethink business.

Across our organization, we have deployed flexible and scalable digital solutions to enhance our responsiveness. These multi-

year initiatives are enabling us to better leverage technologies such as artificial intelligence, predictive analytics, robotic process automation and IoT to support factory automation, Back Office Automation and Sales & Marketing digitization. In 2020, we expanded the scope of these programs to increase the flow, accessibility and utility of real-time data in areas such as Sales, Procurement and supply chain management. We have completely digitized shop floors in five of our plants, thereby enabling the real time reports on plant operations. We have transformed our data into an accessible, reusable asset by setting up a data lake and a data warehouse on cloud; thereby leveraging analytics to empower teams to make smarter, quicker decisions. These efforts support our drive to enhance:

- Consumer and customer-centricity
- Manufacturing flexibility and agility
- Transparency and traceability along our supply chains

The year under review saw an unprecedented time with the pandemic hitting our Company and making us rethink the way we do our business. HIL however, was one of the few companies in the industry to equip the teams to be agile with digital technologies and techniques, that enabled seamless collaboration and uninterrupted connectivity. Our journey towards a more automated and self-reliant business started much before the pandemic hit us and thus we were able to recover quickly and respond on war footing to the pandemic impact. As a part of our new initiatives, we deployed our revamped HRMS system 'Darwin Box', redesigned Bottom's Up, keeping in view the current limitations and the upcoming scale of growth, all operating remotely. We also scaled up our learning platforms and established digital academies. These provide access to relevant, easy-to-consume learning materials that enable employees to acquire applicable skills. RPA of few finance processes have brought about significant man efforts savings and is paving the way for an end to end digitized process.

### Key Financial Ratios on Consolidated Basis

Key Financial Ratios*	FY 2020-21	FY 2019-20	% Change	Comments
Debtors Turnover (No. of Days)	15.68	21.02	(25.4)	Improved due to higher focus on collection
Inventory Turnover (No. of Days)	58.27	80.53	(27.6)	Improved due to better inventory management using six sigma
Interest Coverage Ratio	17.22	5.09	238.5	Improved due to higher realisation, cost optimisation and profits from sale of discontinued business resulting to higher EBIT
Current Ratio	1.28	1.17	9.2	Improved due to efficient working capital management
Debt Equity Ratio	0.41	1.00	(58.8)	Improved due to increase in Net Worth, efficient working capital management, higher profitability and proceeds from sale of business generated higher cash flow resulted into prepayment of debts
Operating Profit Margin (%)	14.1%	10.5%	34.3	Improved due to high profitability resulting into higher EBITDA
Net Profit Margin (%)	7.0%	4.1%	72.6	Improved due to high profitability
Return on Net Worth (%)	21.6%	14.3%	51.3	Improved due to high profitability and lower finance cost

\*Computation of key ratios have been derived as follows:

[Debtors Turnover (in days) = 365/(Revenue from Operations/Average Trade Receivables)]

[Inventory Turnover (in days) = 365/(Revenue from Operations/Inventories)]

(Interest Service Coverage Ratio = Profit Before Tax and Interest on debt/Interest on debt)

(Current Ratio = Current Assets/Current Liabilities)

(Debt Equity Ratio = Debt /Total Equity including all reserves)

(Operating Profit Margin % = EBITDA/Revenue from Operations)

(Net Profit Margin % = Net Profit after Tax/Revenue from Operations)

[Return on Net Worth % = Net Profit After Tax/ Net Worth (Total Equity including all reserves)]

### 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 at Pre employment, periodic, at cessation of employment and follow up of employees and

health care schemes are an integral part of the Company's Health 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, recycling of waste, compliance with environmental regulations and reduction in its carbon footprint. Stack emissions and work place dust levels

are evaluated to assess the fibre concentration in the work environment. Environment engineering controls keep airborne dust levels much lower than permissible levels. The safety department aims at Zero incidents at work place. Environment and safety audits are carried out regularly.

## Human Resources

HIL considers its human resource a vital asset. The Company prioritizes the professional as well as personal development of each employee, encouraging them to remain motivated and achieve organisational objectives. HIL aims to create a conducive working environment, upholding the values of diversity, openness and transparent communications across organisational hierarchies. The company remains committed to the welfare of its people and aspires to retain its position as a 'Great Place to Work'.

HIL strongly believes that its Human Resources are one of its most valuable resource and it is the quality and dynamism of its human resources that enables it to make a significant contribution to enhance stakeholders' value. HIL places employee engagement, development and retention of talent as one of its key priority, to enable achievement of organisational goals. The Company provides technical and behaviour trainings to employees, so that they become competent enough to advance in their careers. HIL maintains a good work culture, ethics, values and attractive remuneration to keep its staff highly motivated.

The Company's employee engagement program – JOSH – makes learning activities fun by indulging in various programmes like festive celebrations, sports events, health care activities, cultural nights with family events, etc. to create an overall healthy work environment. We are committed to build an open and transparent culture, through which employees can provide feedback without any fear. The organization is committed to the welfare and career growth of its people.

As on March 31, 2021 the permanent employee strength of HIL is 1,556 employees.

Some of special recognition got by the company on Human Resource and Culture front are as under:

- HIL is ranked amongst the **India's 30 Best Workplaces in Manufacturing** in 2020 and 2021;
- It is also ranked amongst the **"India's 100 Best Companies to work for – 2020"** by the 'Great Places to Work' Institution.
- HIL secured **67<sup>th</sup> rank**, in "India's 100 Best Companies to work for-2020" by the Great Place to Work Institution.
- HIL is also certified **among the best workplaces** in "Building Material & Cement Industry" by the 'Great Places to Work' Institution in 2020.

## Risk Management

In a competitive business environment, risks are often inevitable. To identify, assess and mitigate such risks in a timely manner, HIL relies on its robust risk management framework.

Risks	Significance and Meaning	Mitigation
<b>Macroeconomic risks</b>	Risks pertaining to fluctuations in the global and domestic economy, arising from economic recession, reduced aggregate demand and earnings growth.	The Company has diversified operations in many countries, enabling it to mitigate risks arising from economic uncertainties.
<b>Financial risks</b>	Risks resulting from volatility in the financial market, pertaining to interest rates, currencies, stock prices, etc.	The Company engages in currency hedging to mitigate risks arising from exchange rate fluctuations.
<b>Commodity and raw material price risks</b>	Changes in commodity and raw material prices can negatively influence the operations of the Company.	HIL strives to maintain lasting relationships with its suppliers, thereby eliminating the risk of fluctuating prices. The Company also has a strong global presence which allows it to source materials at competitive rates from different regions.
<b>People risks</b>	Risk of retaining and acquiring a competent workforce that plays an important role in the growth of the organization.	The Company undertakes numerous skill development and training programs to enhance the professional development of its people. The company also has a succession strategy to consistently maintain the leadership pipeline within the organisation.
<b>Quality risks</b>	Risks posed due to non-adherence to quality standards. It may have an adverse impact on the Company's reputation.	HIL practices rigorous quality management protocols to deliver defect-free and superior quality products. The company has also been awarded quality certifications that establish its credibility in the market.

Risks	Significance and Meaning	Mitigation
<b>Technology risks</b>	The business environment is changing rapidly with the advent of new technology. Failure to adapt to a changing environment can pose a challenge for the Company.	HIL's manufacturing facilities are equipped with cutting-edge machinery and advanced systems that allow the company to improve its operating performance. It also keeps track of improvements in the technological environment and upgrades or replaces machines and equipment, as and when necessary.
<b>Environment risks</b>	Non-adherence to environmental regulations can have a negative impact on the organisation.	HIL has a robust environmental, health, and safety management programme. It actively assesses environmental effects and takes steps to mitigate it. It also adopts a methodical approach towards waste management, resource utilisation, and carbon emission reduction.

### Cautionary Statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, arising due to new information, future events, or otherwise.

## Annexure (Ia): Business Responsibility Report

(As per Regulation 34(2) (f) of SEBI Listing Regulations, 2015)

### Section-A General Information about the Company

1	Corporate Identity Number (CIN)	L74999TG1955PLC000656
2	Name of the Company	HIL Limited
3	Registered address	Office No. 1 & 2, L7 Floor, SLN Terminus, Sy. No.133, Gachibowli, Hyderabad -500032, Telangana. Tel: 040-68249000/040-68249150
4	Website	<a href="http://www.hil.in">www.hil.in</a>
5	E-mail id	cs@hil.in
6	Financial Year reported	2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Fibre Cement Sheets & Panels Fly Ash Bricks (NIC Code 23953) UPVC & CPVC Pipes & Fittings (NIC Code 22209/22208) Putty & Dry Mix (NIC Code 23949/23929) Fly Ash Blocks (NIC 23954)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Company has classified its operations into 4 major business segments as detailed below: Roofing Solutions: Asbestos Fiber Cement Sheets and Non Asbestos Fiber Cement Sheets Building Solutions Autoclaved Aerated Concrete Fly Ash Bricks, Sandwich Panels & Boards Polymer Solutions: UPVC, CPVC & SWR Pipes and Fittings & Wall Putty Flooring Solutions: Resilient floor coverings, Laminate and Engineered wood floorings, wall and Ceiling panels, skirtings and related accessories.
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	NIL. However Company is having a WOS at Germany which has 2 manufacturing locations.
	(b) Number of National Locations	11 manufacturing locations & 40 sales depots
10	Markets served by the Company – Local/State/National/International	National & International

### Section B: Financial Details of the Company

1	Paid up Capital (₹)	₹ 749.25 Lacs (74,92,543 Equity Shares of ₹ 10/- each)
2	Total Turnover (₹)	1570.38 Crores
3	Total profit after taxes (₹)	187.75 Crores (Standalone)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 308.49 Lacs during the year on Corporate Social Responsibility activities, which is around 1.64% of the profit after tax for 2020-21
5	List of activities in which expenditure in 4 above has been incurred:-	<ul style="list-style-type: none"> <li>Healthcare and Disaster Management- Contribution of PM Cares Fund.</li> <li>Educations and related activities</li> </ul>

### Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies	The Company has One Wholly Owned Subsidiary
		<ul style="list-style-type: none"> <li>HIL International GmbH, Germany (Direct Subsidiary) &amp; 3 step down subsidiaries</li> </ul>

- 2 Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
- No, However Certain business responsibility initiatives in the area of ethics, transparency and accountability, sustainable use of resources, wellbeing of employees are also being followed by its subsidiaries.
- 3 Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
- The Company does not mandate its suppliers/distributors to participate in the Company’s BR initiatives. However it encourages them to adopt such practices while conducting their business.
- Most of the suppliers, vendors, agents, consultants, contractors and third parties (More than 60%), who have business relationships with the Company, are contractually bound to abide by the Code of Conduct, Whistle Blower Policy and performance standards. In this capacity they are involved and participate in the Business Responsibility initiatives of the Company.

**Section D: Other Details**

<b>1 Details of the Director/Director responsible for implementation of the BR policy/policies</b>			
Name:	Mr. Dhirup Roy Choudhary		
Designation:	Managing Director & CEO		
DIN No. :	07707322		
<b>Details of the Business Responsibility Head</b>			
Name:	Mr. KR Veerappan		
Designation:	Chief Financial Officer		
DIN No.:	Not Applicable		
Phone :	040-68249000	E-mail:	veerappan.kr@hil.in

**2 Principle-wise (as per NVGs) BR Policy/policies**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:-

<p><b>Principle 1</b></p> <p><b>Ethics, Transparency &amp; Accountability</b></p> <p>Businesses should conduct and govern themselves with Ethics, Transparency and Accountability</p>	<p><b>Principle 2</b></p> <p><b>Product Lifecycle Sustainability</b></p> <p>Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</p>	<p><b>Principle 3</b></p> <p><b>Employee Well Being</b></p> <p>Businesses should promote the wellbeing of all employees</p>
<p><b>Principle 4</b></p> <p><b>Stakeholder Engagement</b></p> <p>Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</p>	<p><b>Principle 5</b></p> <p><b>Human Rights</b></p> <p>Businesses should respect and promote human rights</p>	<p><b>Principle 6</b></p> <p><b>Preservation of Environment</b></p> <p>Business should respect, protect, and make efforts to restore the environment</p>
<p><b>Principle 7</b></p> <p><b>Responsible Advocacy</b></p> <p>Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</p>	<p><b>Principle 8</b></p> <p><b>Inclusive Growth &amp; Equitable Development</b></p> <p>Businesses should support inclusive growth and equitable development</p>	<p><b>Principle 9</b></p> <p><b>Customer Value</b></p> <p>Businesses should engage with and provide value to their customers and consumers in a responsible manner</p>



**(a) Details of compliance (Reply in Y/N)**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics, Transparency & Accountability	Product Lifecycle Sustainability	Employee Well Being	Stakeholder Engagement	Human Rights	Preservation of Environment	Responsible Advocacy	Inclusive Growth & Equitable Development	Customer Value
1	Do you have policy/policies for	Y	Y	Y	Y (Note-4)	Y	Y	No	Y (Note 4)	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	No	Y	Y
3	Does the policy confirm to any national / international standards? If yes, specify? (50 words)	Y	Y (Note -3)	Y	Y	Y	Y	No	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y*	Y*	No	Y*	Y	No	Y	Y*
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y (Note-1)	Y	Y	Y	Y	Y	No	Y	Y
6	Indicate the link for the policy to be viewed online?	Y (Note-2)	No (Available on Intranet)	No (Available on Intranet)	Y	Y	Y	No	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	No	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	No	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	No	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	No	Y	Y

\*Approved and Signed by Managing Director & CEO

Note-1	The Code of Conduct for Directors and Senior Management and the Whistle Blower Policy of the Company are approved by the Board of Directors of the Company and are signed by the Managing Director & CEO of the Company, whereas the other Code of Conduct for Employees and other stakeholders are approved by the Management
Note-2	Code of Conduct for Directors and Senior Management and the Whistle Blower Policy of the Company are available at <a href="https://hil.in/investor-relations/">https://hil.in/investor-relations/</a> and for other stakeholders, the same are available in our intranet and communicated while engagement.
Note-3	IS-15778:2007, IS-13592:2013, IS-4983:2000 (Faridabad, Golan & Thimmapur), IS-7834:Part-1:1987, IS-14735:1999 (Golan), IS-14871:2000 (Kondapalli), IS-2185:Part-3:1983 (Thimmapur, Chennai, Jhajar, Golan) and IS-459:1992 (Kondapalli, Faridabad, Satharia, Wada, Jasidih, Balasore)
Note-4	The CSR Policy is approved by the Board and policies w.r.t other stakeholders are as per the requirements of the local laws and departments.

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)-Not Applicable.**

S No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles.									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles.									
3	The Company does not have financial or manpower resources available for the task.				Not Applicable			Not Applicable		Not Applicable
4	It is planned to be done within next 6 months.									
5	It is planned to be done within the next 1 year.									
6	Any other reason (please specify).							The Company does not have a need to frame/ incorporate the said policy into the frame work of the Company, the same will be taken up basis the requirement		

**2. Governance related to Business Responsibility (BR):**

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?**

Reviewed by the Board of Directors annually. However, Managing Director & CEO will review the same at regular intervals with concerned stakeholders / Senior Management team.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Company publishes the Business Responsibility Report in accordance with SEBI guidelines and it will form part of the Annual Report. Annual Report for Financial Year 2020-21 will be hosted on our website (<https://hil.in/investor-relations/2021-annual-report/>) as a part of Investor Section.

**Section E: Principle-Wise Performance**

**Principle 1**

**Ethics, Transparency & Accountability**

**1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

The Company does not have a separate policy relating to ethics, however issues regarding the same form an integral part of the Company's Codes of Conduct (Code of Conduct for Employees, Code of Conduct for Directors and Senior Management),

Efficient conduct of business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks at HIL.

**Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs /Others?**

Suppliers/Contractors/others are advised to follow the Quality Policy, Whistle Blower Policy and other key policies which form a major attribute maintaining a business relationship with Company.

To ensure accountability and monitoring, the Board has constituted various committees such as: Audit Committee, Nomination & Remuneration Committee, Risk Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders' Relationship Committee. The committees meet periodically during the year to supervise, review performance and advice on the necessary direction to be taken. Management has formed various internal committees, who meet regularly and apprise the Managing Director on the key parameters.

**2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the Financial Year 2020-21, the Company has received two complaints, which were satisfactorily resolved. Apart from the said two complaints, there are no other complaints including those under Whistle Blower and POSH policies respectively. However complaints related to Investors with regard to non-receipt of Dividend, Annual Report etc., are reported under the Corporate Governance Report which forms a part of the Directors' Report.

Similarly, Customer complaints details are furnished in other sections of this report.

**Principle 2**

**Product Lifecycle Sustainability**

The Company understands its obligations on social and environmental concerns and is strategically focusing on development of products and services that eco-friendly, sustainable which help customers build structures which are durable, resource-efficient and cost-effective. We manufacture a range of products that cater the needs of Building Material Industry.

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Asbestos Fiber Cement Sheets and Accessories under the brand name "Charminar Sheets" has incorporated environmental concerns and risks. No other products of the company has any potential social nor environmental concerns and risks.

All manufacturing locations of the Company strictly adheres key guidelines relating to operations, viz., zero wastage, preserving natural resources, safety and health of the stakeholders etc., and the manufacturing processes are devised in confirmation of the above guidelines. HIL is continuously striving for developing products which are greener in nature and less resource intensive. In its endeavour to produce eco-friendly, sustainable products Company has efficiently used Flyash which is the effluent of thermal power plants in its product mix as a replacement to Cement, without compromising the product quality.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

**a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

- **Asbestos Fiber Cement Sheets and Accessories under the brand name "Charminar Sheets"**

Asbestos Fiber Cement sheets are widely used for roofing applications made by Hatcheck process. It is

well accepted in the market due to low cost, termite proof, long life, and less heat compared to metal sheets, asbestos sheets continue to dominate the rural market in India. The major raw materials are Asbestos fibers, cellulose fibers, mineral fibers and synthetic fibers as a reinforcement and cement, fly ash, GGBS slag as binders and additives. The major environmental concern is involved in handling of asbestos while manufacturing, and disposal of waste fiber cement sheets. We are using white asbestos chrysotile to manufacture fiber cement sheets and while manufacturing, automatic bag opening system (completely closed chambers), wet milling process to avoid air borne fibers in atmosphere. We are continuously monitoring the percentage fibers in atmosphere and it is always found to be within the limits of PCB. The process sludge (green waste) and dry waste after pulverising are used in the process according to formulation. The company has filed a patent on higher percentage utilization of dry waste in the process without any quality problems. The company has addressed all environmental concerns with respects to handling of asbestos and dry waste utilization.

The power consumption is 34 to 35 units/MT and water consumption is 0.35 to 0.36 KL/MT.

**b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

As a responsible corporate, the Company is committed to sustainable development and understands its obligations related to social and environmental concerns. The Company continually seeks ways to conserve the environment and manage finite resources responsibly. Few of our products like Fly ash Bricks, Sandwich Panels reduces the construction time and its resource requirement significantly.

Demonstrating its commitment towards contributing to India's transition towards low carbon economy, Company has been promoting the use of renewable sources of energy. Captive solar energy plants have been installed in Faridabad and Chennai with a capacity of 100kW increasing HIL's renewable share in overall energy mix. Carbon credits are also generated through windmills and solar farms and for development of Autoclaved Aerated Concrete (AAC) blocks.

The Company consumes alternate materials like flyash, gypsum, slag, pulp etc which help in conserving the environment

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

**a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has robust procurement practices and selection criteria, that focus of societal interest and cost effective procurement. This helps in improving the quality of products and services and ultimately optimises the cost and enhances the product life cycle.

Each vendor is viewed as a partner in the process of business growth, and also as enablers of mutual long-term sustainable growth. The Company believes in investing time and effort in building mutually beneficial relationships and the standards are applicable to all vendors who stay largely uniform. Even though the Company deals with complex supply chain and different types of vendors, suppliers are guided in process and system improvement and enhanced technical know-how.

The Company aims for sustainability in logistics to be achieved by using less polluting and less fuel consuming transport options or selecting vendors who are close to the manufacturing locations (wherever possible and delivering cost efficient products). We import fiber and cement in bulk size vessels with full cost advantage of freight. This consumes lesser fuel as compared to smaller size shipment in terms of per ton of material shipped.

The Company also in process of having E-procurement tool to make the procurement process more reliable and transparent. This module is integrated with our SAP system which enables in ease of procurement and helps the Company to have competitive bidding for buying and transportation of material that further adds to the efficacy of the process. This is expected to result in more effective communication with our vendors and enabled significant reduction in paper work and its associated travel thereby reducing the carbon footprint besides saving in the operational cost.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company has consistently increased its vendor mix across goods and services through vendor base enhancement. The objective is to focus on indigenous suppliers, mutual collaboration and partnership for long term growth. The Company also believes in long term partnership with the vendors by having rate contracts with them and providing periodical feedback on their performances in terms of quality, delivery, services, environmental health and safety etc.

The Company has been in the past successfully partnered with Small and Medium Enterprises and helped them to develop requisite product by providing requisite technology and other supports and sourcing the said materials from them. This has helped the said suppliers and their vendors to sustain their business model and providing quality materials as per the requirement of the Company

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Company recycles through formulation AC Sheets up to 4%, Panels up to 2.5%, AAC blocks up to 3%, Non AC up to 2% and pipes and fittings up to 10%.

Company's manufacturing process / recipe is designed in such a way to consume the waste generated out of the process thereby aiming for zero waste generation. Company also consumes waste materials like fly ash, slag in its process thereby supporting the environment with this initiatives.

The Company also believes in proper and efficient waste disposal by giving due weightage to disposal of E-waste/hazardous waste, which is disposed of in an environmental friendly manner for preservation of the society.

**Principle 3**

**Employee Well Being**

**1. Please indicate the total number of employees:**

The total number as on March 31, 2021 was 1556

**2. Please indicate the total number of employees hired on temporary/contractual/casual basis:**

3210 employees hired on contractual basis

**3. Please indicate the number of permanent women employees:**

61 are permanent women employees in the Company as on March 31, 2021, which constitute 3.9% percent of the total permanent employee strength of the Company

**4. Please indicate the number of permanent employees with disabilities:**

1 employee

**5. Do you have an employee association that is recognized by management?**

Yes,

- (i) Telugu Nadu Trade Union Council, Kondapalli Factory
- (ii) Hyderabad Asbestos cement Products Limited, Kamgaar Sangh, Jashidh Factory
- (iii) Bhartiya Kamgar Sena, Wada Factory

**6. What percentage of your permanent employees is members of this recognized employee association?**

14% Contractual employees

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the financial year.**

NIL

## 8. What percentage of under mentioned employees were given safety & skill up- gradation training in the last year?

- (a) Permanent Employees: 100%
- (b) Permanent Women Employees: 100%
- (c) Casual/Temporary/Contractual Employees: 100%
- (d) Employees with Disabilities: 100%

### Principle 4

#### Stakeholder Engagement

### 1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders and the mode of engagements are as below

Stakeholder	Mode of engagement
Government and Regulatory Authorities	Industry Forums/Regulatory Bodies/ Departments/Statutory Meetings
Employees	Internal Employee Communications, HR Portal, HRMS, Josh Teams, News Letters, Factory Visits, Employee Gatherings, Team Building Activities and other employee engagements activities.
Local Community	CSR and social development activities
Investor & Shareholders	AGM, Investor Presentations, Investor Calls, Investor Meetings, Investor Communications (Quarterly Mails, Notices, paper adds and BSE & NSE web portals) and Media interviews
Bankers	Visits
Customers	Products displays, Branding and marketing exhibitions etc.
Suppliers	Visits

### 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders

The Company has identified the disadvantaged, vulnerable and marginalised stakeholder's viz. communities around its manufacturing Units and its workers / contractual workers

### 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Company believes in improved health, education, economic livelihood and accordingly has undertaken several programs and initiatives to the disadvantaged, vulnerable and marginalized population living near the Company's

manufacturing units. To achieve the same, Company has a well-formulated CSR policy. During the year the Company has taken up activities i.e. providing sanitizers, maintain hygiene facilities, free food and other Covid Relief support in view of the ongoing pandemic. Company has also contributed to PM Care Fund to fight against Covid.-

### Principle 5

#### Human Rights

### 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

HIL acknowledges and respects human rights of all its stakeholders and groups at the workplace. The Company is committed to ensuring that people are treated with dignity and respect at all times. We have embraced Human Rights virtues in our Human Resources policies including Code of Conduct, Whistle Blower policy, etc. to uphold human rights within our organisation and we continue to make employees aware of human rights-related issues.

Human Rights are embedded in various policies of the Company i.e. Code of Conduct, POSH Policy, Whistle Blower Policy, Human Rights Policy, which extends to the employees/ resources hired from outsourced agencies and other stakeholders engaging with the Company and the Company is committed to ensuring that people are treated with dignity and respect. We continue to make our contractor, customers, suppliers, etc. aware of human rights-related issues

### 2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

NIL

### Principle 6

#### Preservation of Environment

### 1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others

It extends only to Company. However the Company encourages all its stakeholders ensure the compliance with all governmental laws related to Environment and Health and Safety.

### 2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

No. As part of the it's resolve to protect the environment, Company has adopted environment initiatives like resource conservation, sourcing energy from renewable sources. Wind and solar power for various its locations, recycling and reusing of hazardous waste etc., to control Climate Change, Global warming, etc.

The Company uses naturally occurring materials as our raw material. We aim at minimisation of waste generation and practice total reuse/recycle the waste generated.

The Company also used renewable power generated by Wind Turbines in couple of its Manufacturing Location, thereby reducing the carbon foot print.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes, The Company follows a structured risk management approach which encompasses identifying potential risks, assessing their impact, implementing preventive measures, mitigating them by taking timely action and continuous monitoring.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No. However the Company has various wind mills, which is a source of renewable and clean energy.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

No

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?**

Yes, the emissions / waste generated by the Company are within the permissible limits given by Central Pollution Control Board / State Pollution Control Boards and required compliance reports are submitted on timely basis.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of the Financial Year.**

The Company has received two notices, one in Faridabad, Haryana and one in Kondapally, Andhra Pradesh with respect to waste water sampling and accumulation of waste at Factory premises. Company has filed its representation to the respective departments and reply is awaited.

**Principle 7**

**Responsible Advocacy**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes. Company is a member of the following Trade Associations/Chambers/Association:

- (a) The Fibre Cement Product Manufacturer's Association (FCPMA)
- (b) Confederation of Indian Industry (CII),
- (c) The Federation of Telangana Chambers of Commerce and Industry (FTCCI)
- (d) CII - Indian Green Building Council (IGBC)
- (e) Green Rating for Integrated Habitat Assessment (GRIHA)
- (f) Chamber of Commerce

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

No. However Company provides its input to those associations at the time of budget or other amendments proposed / announced by the Government for consolidate representation.

**Principle 8**

**Inclusive Growth & Equitable Development**

**1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle on inclusive growth and equitable development? If yes details there.**

The Company believes in being a good corporate citizen by helping communities and being instrumental in supporting their progress. Towards this objective, Company has a well-established policy framework to create a positive impact in the locations where the Company operates.

The Company has been directly or indirectly supporting the following initiatives:

- Contribution to PM Care Fund.
- Development of Livelihood, education and eradicating hunger & malnutrition at villages through Vanvasi Raksha Parivar Foundation in Haryana and MP.
- Upgradation of Bio-Medical Equipment for providing better health facilities to the public.
- Sponsoring Education of Girls Students - CSS School, Providing Education Facilities and Books at various Govt High School.
- Providing Hearing aids, Renovation of classrooms and flooring, Water purifier & Installation of RO Water Plant etc.

The Company has adopted a CSR policy as per the requirements of the Companies Act, 2013 and the focus areas are well aligned with the vision of the Company and within the meaning of schedule VII of Section 135 of the Companies Act, 2013.

## 2. Are the programs/ projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?

Most of these initiatives are managed in house by our coordinators at various plants and locations with the help of local governing bodies and trusts to ensure the funds are reaching the right places and individuals.

## 3. Have you done any impact assessment of your initiative?

No. However Company is associated with Vanvasi Raksha Parivar Foundation for the past two years, through which it has provided skill development and vocational trainings and other livelihood facilities for nearly 1000+ villages in Haryana.

The Company has contributed in providing proper health care facilities through CMRI (Calcutta Medial Research Institute) and LVEI (LV Prasad Eye Institute).

The Company has been sponsoring the education of 80 girl students (of LKG and UKG) at CSS Government High School, Hyderabad for the past 4 years.

Other programs have impacted hundred's of school going children including, orphans and underprivileged receiving education due to our various efforts like rebuilding classrooms, providing of infrastructure and digital classrooms. Improved people's health and sanitation by constructing/renovating various toilets, providing safe drinking water etc.

All programs of CSR are monitored through regular assessments. On a case to case basis impact studies are being carried out depending on the nature of the project.

## 4. What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?

During the year 2020-21, there were no such specific projects undertaken. In view of the ongoing fight by the Country against Covid Pandemic, the Company has contributed an amount to the tune of ₹ 300 Lacs to PM Care Fund.

## 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Last year, the Company has also been associated with Vanvasi Raksha Parivar Foundation for the past 2 years, through which it has provided skill development and vocational trainings and other livelihood facilities for nearly 1000+ villages in Haryana.

### Principle 9

#### Customer Value

## 1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

Company is having a mechanism to track the customer complaints and its resolution and reviews the same at regular intervals. During the year the company has resolved 96% of the complaints received to the satisfaction of the customers and 4% of the complaints were pending for resolution at the year end.

## 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

Yes, Company displays the prescribed product information as mandated by Bureau of Indian Standards and Legal Metrology Act and follows all other applicable regulations regarding product labelling.

## 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

No

## 4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

As part of our stakeholder engagement strategy, the Company engages with its customers and conducts consumer surveys for different products every year to know the customer satisfaction level so to enrich the customer experiences. There is a designated market department which routinely carries out these surveys and gives inputs to business on taking remedial action, if required

We extensively use our telemarketing (outbound) set-up to communicate/engage with our customers in remotest of the locations and gauge the satisfaction levels of our customers on monthly basis. We conducted primary research in select markets to understand the digital maturity of our customers and leveraged the inputs in devising the digital roadmap for our business.

We also conducted survey to understand the performance of our channel loyalty programs to improve to engage in a better and studied some of our top markets to understand the expectations of our customers, which has helped HIL in launching its new variant in Asbestos Fiber Cement Sheets i.e Coloured Fiber Cement Sheets, which has shown a positive response.

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

### 1. Brief outline on CSR Policy of the Company:

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.

### 2. Composition of CSR Committee:

Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Mr. Desh Deepak Khetrapal	Chairman-Non Executive Director	1	1
Mr. VV Ranganathan	Member- Independent Director	1	1
Mrs. Gauri Rasgotra	Member-Independent Director	1	1

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<https://hil.in/wp-content/uploads/2018/04/Corporate-Social-Responsibility-Policy-V1.pdf>

<https://hil.in/investor-relations/committee-compositions/>

<https://hil.in/investor-relations/>

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not Applicable to the Company

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

S. No.	Financial Year	Amount available for setoff from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
Nil			

### 6. Average net profit of the Company for last three financial years: ₹ 11799.02 lacs

### 7. CSR Requirement:

S. No.	Particulars	Amount (₹ Lacs)
a	Two percent of average net profit of the company as per Section 135(5)	235.98
b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
c	Amount required to be set off for the financial year, if any	Nil
d	Total CSR obligation for the financial year (7a+7b-7c).	235.98



## 8. CSR Spend:

S. No.	Particulars	Amount (₹ Lacs)
a	CSR amount spent or unspent for the financial year:	
	CSR Amount Spent	308.49
	CSR Amount Unspent	NA
b	Details of CSR amount spent against ongoing projects for the financial year	NA
c	Details of CSR amount spent against other than ongoing projects for the financial year	308.49 (refer Table A below)
d	Amount spent in Administrative Overheads	Nil
e	Amount spent on Impact Assessment, if applicable	NA
f	Total amount spent for the Financial Year (8b+8c+8d+8e)	308.49
g	Excess amount for set off, if any	
	(i) Two percent of average net profit of the company as per Section 135(5)	235.98
	(ii) Total amount spent for the Financial Year	308.49
	(iii) Excess amount spent for the financial year [(ii)-(i)]	72.51
	(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
	(v) Amount available for set off in succeeding financial years [(iii)-(iv)]	72.51

## 9. Details of Unspent of previous years

- a. Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**
- b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable.**

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable.

## 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

**Table –A CSR amount spent against other than ongoing projects for the financial year (₹ Lacs)**

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/ No)	Location of the Project (State/ District)	Amount Spent on the Project	Mode of Implementation (Direct –Yes/ No)	Mode of Implementation (Through implementing agency) (Name & CSR Registration No)
1	Contribution to PM Cares Fund	(viii)	No	Pan India	300	Direct	NA
2	Sponsoring Education of Girls Students- CSS School	(ii)	Yes	Hyderabad, Telangana	8	Direct	NA
3	Eradiating of Hunger/Covid Support	(i)	Yes	Arumbakkam, Tamil Nadu	0.49	Direct	NA
<b>Total</b>					<b>308.49</b>		

**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 14, 2021

**Desh Deepak Khetrpal,**

Chairman - CSR Committee  
DIN: 02362633  
May 14, 2021

## Annexure (III): Corporate Governance Report

Report Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

### 1. CORPORATE GOVERNANCE PHILOSOPHY

Your Company believes that Corporate Governance as the back-bone to ensure sustainable value creation for all stakeholders. It aims at producing performance results that are enabled by strong policies, robust processes and best in class industry practices with high standards of regulatory compliance, ethics and operating controls. Your Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and ethical behaviour in all spheres of its operations and in all its communication with its stakeholders.

Corporate Governance which is an on-going process that ensures the affairs of the Company are managed 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 all its Stakeholders such as customers, shareholders, 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 and your Company continuously strives to achieve excellence in corporate governance through its values – Integrity, Commitment, Passion, Seamlessness and Speed.

In terms of the Listing Regulations, the details of compliance for the year ended March 31, 2021 are as follows:

### 2. BOARD OF DIRECTORS

#### (a) Composition and other related matters

Your Company has a judicious mix of Executive Directors & Non- Executive Directors (including Independent Directors) to maintain independency, in-depth knowledge, specialized skills and rich experience, which is essential to separate the two main functions of Board viz., governance and management. Your Company's Board comprises of (6) Six Directors, viz. 1 (One) Non-Executive Chairman (Promoter), 1 (One) Managing Director & CEO, 3 (Three) Non-Executive Independent Directors which includes 1(One) Women Director and 1 (One) Non-Executive & Non Independent Director. The Board composition is in compliant with the provisions of the Companies Act, 2013 ("the Act"), Rules made thereunder and requirements of the Listing Regulations.

**Composition, Attendance of Board of Directors number of Directorships including committee positions held by them as on March 31, 2021 and previous Annual General Meeting (held on July 29, 2020) are given below:**

**Mr. CK Birla**  
Chairman Promoter Non-Executive

<b>Nationality</b>	Indian
<b>DOB</b>	January 9, 1955
<b>Date of appointment</b>	February 2, 1980
<b>Tenure on Board</b>	NA
<b>Shareholding</b>	51376

Number of Directorships held in other Companies

<b>Total Directorships <sup>(1)</sup></b>	7
<b>Directorships in listed Companies</b>	4
<b>Directorships in other Public Companies <sup>(2)</sup></b>	3

Number of Committee positions held in other Companies <sup>(3)</sup>

<b>Chairman</b>	-
<b>Member</b>	-
<b>Attendance of Board Meetings</b>	6
<b>Attendance at Previous AGM</b>	Yes

Core Skills /Expertise /Competencies

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

**Mr. Dhirup Roy Choudhary**  
Managing Director & CEO

<b>Nationality</b>	Indian
<b>DOB</b>	October 12, 1968
<b>Date of appointment</b>	January 16, 2017
<b>Tenure on Board</b>	4.3 years
<b>Shareholding</b>	14740

Number of Directorships held in other Companies

<b>Total Directorships <sup>(1)</sup></b>	-
<b>Directorships in listed Companies</b>	-
<b>Directorships in other Public Companies <sup>(2)</sup></b>	-

Number of Committee positions held in other Companies <sup>(3)</sup>

<b>Chairman</b>	-
<b>Member</b>	-
<b>Attendance of Board Meetings</b>	6
<b>Attendance at Previous AGM</b>	Yes

Core Skills /Expertise /Competencies

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

**Mr. Desh Deepak Khetrpal**

Non-Executive Director

<b>Nationality</b>	Indian
<b>DOB</b>	July 5, 1955
<b>Date of appointment</b>	October 28, 2013
<b>Tenure on Board</b>	NA
<b>Shareholding</b>	Nil

Number of Directorships held in other Companies

<b>Total Directorships <sup>(1)</sup></b>	2
<b>Directorships in listed Companies</b>	2
<b>Directorships in other Public Companies <sup>(2)</sup></b>	-

Number of Committee positions held in other Companies <sup>(3)</sup>

<b>Chairman</b>	-
<b>Member</b>	3
<b>Attendance of Board Meetings</b>	5
<b>Attendance at Previous AGM</b>	Yes

Core Skills /Expertise /Competencies

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

**Mrs. Gauri Rasgotra**

Independent Director (NED)

<b>Nationality</b>	Indian
<b>DOB</b>	September 5, 1968
<b>Date of appointment</b>	May 8, 2015 & May 8, 2019
<b>Tenure on Board</b>	6 years 10 months
<b>Shareholding</b>	Nil

Number of Directorships held in other Companies

<b>Total Directorships <sup>(1)</sup></b>	1
<b>Directorships in listed Companies</b>	1
<b>Directorships in other Public Companies <sup>(2)</sup></b>	-

Number of Committee positions held in other Companies <sup>(3)</sup>

<b>Chairman</b>	2
<b>Member</b>	2
<b>Attendance of Board Meetings</b>	5
<b>Attendance at Previous AGM</b>	Yes

Core Skills /Expertise /Competencies

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

**Dr. Arvind Sahay**

Independent Director (NED)

<b>Nationality</b>	Indian
<b>DOB</b>	February 21, 1965
<b>Date of appointment</b>	February 8, 2019
<b>Tenure on Board</b>	2 years, 1 month
<b>Shareholding</b>	Nil

Number of Directorships held in other Companies

<b>Total Directorships <sup>(1)</sup></b>	1
<b>Directorships in listed Companies</b>	1
<b>Directorships in other Public Companies <sup>(2)</sup></b>	-

Number of Committee positions held in other Companies <sup>(3)</sup>

<b>Chairman</b>	2
<b>Member</b>	2
<b>Attendance of Board Meetings</b>	6
<b>Attendance at Previous AGM</b>	Yes

Core Skills /Expertise /CompetenciesGovernance  
and Board  
serviceBusiness  
UnderstandingRisk/Legal/  
Regulatory  
ComplianceInformation  
Technology /  
Accounting/  
Financial ExperienceIndustry/  
Sector  
KnowledgeStrategy  
development  
and  
implementation**Mr. VV Ranganathan**

Independent Director (NED)

<b>Nationality</b>	Indian
<b>DOB</b>	December 15, 1952
<b>Date of appointment</b>	March 19, 2019
<b>Tenure on Board</b>	2 years
<b>Shareholding</b>	Nil

Number of Directorships held in other Companies

<b>Total Directorships <sup>(1)</sup></b>	-
<b>Directorships in listed Companies</b>	-
<b>Directorships in other Public Companies <sup>(2)</sup></b>	-

Number of Committee positions held in other Companies <sup>(3)</sup>

<b>Chairman</b>	-
<b>Member</b>	-
<b>Attendance of Board Meetings</b>	6
<b>Attendance at Previous AGM</b>	Yes

Core Skills /Expertise /CompetenciesGovernance  
and Board  
serviceBusiness  
UnderstandingRisk/Legal/  
Regulatory  
ComplianceInformation  
Technology /  
Accounting/  
Financial ExperienceIndustry/  
Sector  
KnowledgeStrategy  
development  
and  
implementation

(1) The number of total directorships is in accordance with Companies Act, 2013 and SEBI Listing Regulations which excludes Foreign Companies, Private Companies and Section 8 Companies as per Regulation 26 of SEBI Listing Regulations and excludes directorship in HIL Limited.

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

**Details of Directors, who are directors in other listed entities:**

<b>Mr. CK Birla</b>	
Orient Paper & Industries Limited	Chairman & Non Executive Director
Orient Cement Limited	Chairman & Non Executive Director
Orient Electric Limited	Chairman & Non Executive Director
Birlasoft Limited	Non Executive Director

<b>Mr. Desh Deepak Khetrpal</b>	
Orient Cement Limited	Managing Director & CEO, Member in SRC and AC
Orient Electric Limited	Non Executive Director and Member of AC

<b>Mrs. Gauri Rasgotra</b>	
Orient Paper & Industries Limited	Independent Director and Chairman in SRC and Member in AC

<b>Dr. Arvind Sahay</b>	
IFCI Limited	Director, Chairman in AC and 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 SEBI Listing Regulations

**Declarations:**

- The composition of the Board is in conformity with the Regulation 17(1) of the SEBI LODR Regulations.
- 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 SEBI LODR Regulations.
- None of the Independent Directors are serving as independent director in more than seven listed entities as required under Regulation 17 of SEBI LODR Regulations.
- None of the Independent Directors are Managing Director or Whole Time Directors on other listed entities as required under Regulation 17 of SEBI LODR Regulations.
- 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 SEBI LODR Regulations.
- Expect Mr. CK Birla, who holds 51376 equity shares representing 0.69% and Mr. Dhirup Roy Choudhary, who holds 14740 shares representing 0.20% none of the other Directors holds shares or control in the Company.
- During the financial year 2020-21, 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 SEBI Listing Regulations.
- As per the requirements of Regulations 25(6), there was no requirement to replace the vacancy created by the resignation of the Independent Directors.
- The Company has suitable Directors & Officers Insurance Policy obtained with adequate coverage and complies the requirement of Regulation 25(10) of SEBI Listing Regulations.
- A formal letter of appointment is issued to all Independent Directors, a specimen of which is been placed on the Company website <https://hil.in/investor-relations/>. Details of Directors along with their profile are forming part of the Notice of 74<sup>th</sup> Annual General Meeting of the Company.

**Core competencies of the Board of Directors as per Schedule C of Corporate Governance requirements of the SEBI (LODR) Regulations, 2015:**

The Board of Directors consist of mix of individual Directors who have balance of skills, who collectively guide the Company on the path of leadership, direct the implementation of corporate policies, setting goals, strategy formulation to achieve corporate growth alongwith other personal attributes such as integrity, strong ethics, honesty and sound professional knowledge.

Following are the core skills/expertise/competencies identified by the Board of Directors as required in the context of the business of the Company for it to function effectively are:

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

The Board members collectively display the following personal qualities:

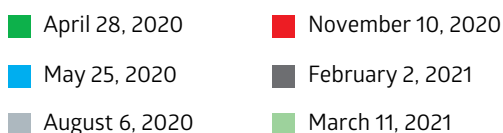
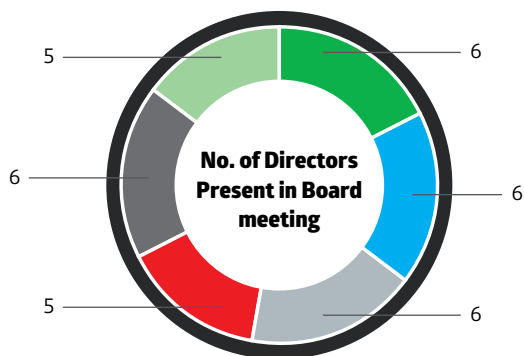
- Integrity: fulfilling a Director's duties and responsibilities;
- Curiosity and courage : ask questions and persistence in challenging management and fellow Board members wherever necessary;
- Interpersonal skills : work well in a group, listen well, tactful, ability to communicate their point of view frankly;
- Interest : in the organisation, its business and the people;
- Instinct : good business instincts and acumen, ability to get to the crux of the issue quickly;
- Believer in gender diversity;
- Active participation: at deliberations in the meeting.

Your Company's Board comprises of an equal number of Independent and Non-Independent Directors. The Directors are professionals, possessing wide experience and expertise in their areas of function - strategy; finance; governance and legal; marketing, insurance, among others, which together with their collective wisdom fuel your Company's growth.

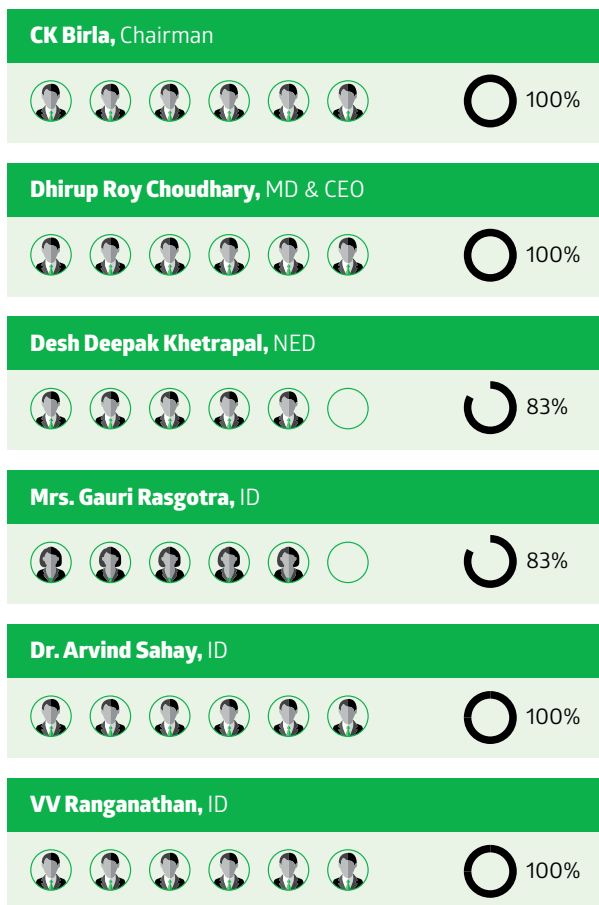
All the directors possesses adequate skill set and expertise / competence in the said areas identified by the Board to drive the business of your Company.

**(b) Board Meetings and Procedures**

During the year under review, 6 (Six) 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.



**No. of Meetings Attended by Directors**



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 SEBI Listing Regulations to the extent relevant and applicable.

A detailed presentation is made covering various highlights and performance of the business at each Board Meeting. The Board reviews the items in agenda and in particular 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.

Other significant details included in the presentation / agenda discussion covers 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, update on 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 the Board and Committee meetings are communicated to the respective departments for the implementation of the said decisions.

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

**(c) Independent Directors' Meeting:**

The Independent Directors fulfil the criteria of independence as given in Regulation 16(b) of SEBI LODR Regulations 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 detailed 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 <https://hil.in/investor-relations/>.

The Independent Directors met on February 2, 2021 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.



**(d) Board Induction, Training and Familiarisation**

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/ Independent Director of the Company. They are also explained in detail the compliances required from him under the Companies Act, Listing Regulations, Insider Trading Regulations and other relevant regulations on regular basis.

The Directors are familiarised with your Company's business model and its operations. Interactions are held between the Directors and Senior Management of your Company at regular intervals. Directors are familiarised with the organisational set-up, functioning of various departments, internal control processes and relevant information pertaining to your Company.

They are periodically updated on the industry scenario, changes in regulatory framework and the impact thereof on the working of your Company.

The details of such Familiarization Programmes for Independent Directors are available on <https://hil.in/investor-relations/familiarization-program/>

**(e) Performance of the Board and evaluation**

A formal evaluation mechanism has been adopted for evaluating the performance of the Board,

Committees thereof, individual Directors and the Chairman of the Board. The evaluation is based on criteria which includes, among others, attendance and preparedness for the meetings, contribution at meetings, effective decision making ability, role of the Committees.

- 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.
- 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 / email or digital tool or personally submitted to the Chairman at the concerned meeting.
- 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.

**3. Committees of Directors**

**3.1 Audit Committee**

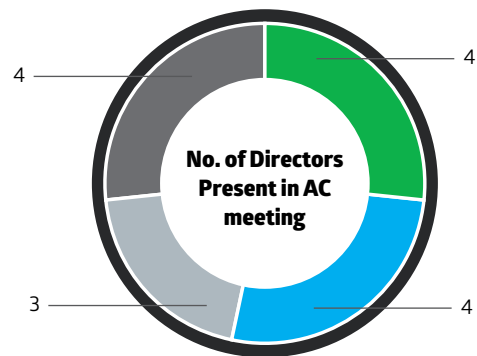
**(a) Composition and Meetings**

The Company constituted a qualified and Independent Audit Committee comprising of 3 (three) Non-Executive Independent Directors in accordance with the provisions of Regulation 18 of SEBI LODR Regulations and Section 177 of the Companies Act, 2013. Company Secretary acts as a Secretary to the Audit Committee.

The Committee is empowered with the powers as prescribed under Regulation 18 of SEBI LODR Regulations 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 at the meetings were as follows:



**No. of Meetings Attended by Directors**

<b>Mr. VV Ranganathan, Chairman</b>	100%
<b>Mr. Desh Deepak Khetrpal, Member</b>	100%
<b>Mrs. Gauri Rasgotra, Member</b>	75%
<b>Dr. Arvind Sahay, Member</b>	100%



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. VV Ranganathan, was present at the last Annual General Meeting of the Company held on July 29, 2020.

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 Listing Regulations 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.

The Committee also supervises the performances of the Subsidiaries (including step down subsidiaries) and take note information as required under Companies Act, 2013 & SEBI Listing Regulations.

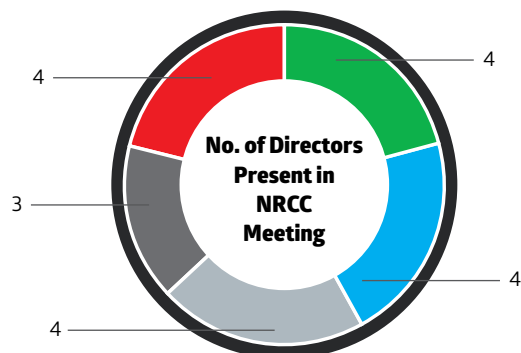
The details of related party transactions as required under the Companies Act, 2013, SEBI Listing Regulations and the applicable Accounting Standards (Ind-AS) are provided in others part of the Annual Report.

## 3.2 Nomination and Remuneration cum Compensation Committee

### (a) Composition and Attendance

The current composition of the Nomination and Remuneration Cum Compensation Committee comprises of 4 (Four) Non-Executive Directors out of which 2 (Two) are Independent Director and the Committee is empowered with the powers as prescribed under Regulation 19 of SEBI LODR Regulations and Section 178 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

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



■ April 28, 2020

■ November 10, 2020

■ May 25, 2020

■ February 2, 2021

■ August 6, 2020

### No. of Meetings Attended by Directors

#### Mr. VV Ranganathan, Chairman



#### Mrs. Gauri Rasgotra, Member



#### Mr. Desh Deepak Khetrpal, Member



### (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 other Senior Management Officers of the Company. Annual increments are recommended by the Nomination & Remuneration Cum Compensation Committee which are normally effective from 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 amount payable to them. The Nomination and Remuneration Cum Compensation Committee also decides, and recommends to the Board of Directors, the remuneration (commission) payable to the Non- Executive Directors in addition to sitting fees which are paid for attending the Board and Committee Meetings.

The Nomination and Remuneration 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: <https://hil.in/investor-relations/policies/>

The key objectives of this Policy includes:

- guiding the Board of Directors in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 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.
- 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, 2021 is as under:

Name of Director	Period of appointment	Remuneration for the financial year ended March 31, 2021 (₹ In lacs)				
		Sitting Fee	Salary & Perquisites	Performance Pay	Commission	Total
Mr. CK Birla	NA	8.50	0	0	50.00	58.50
Mr. Desh Deepak Khetrpal	NA	12.25	0	0	20.00	32.25
Mrs. Gauri Rasgotra	5	12.00	0	0	15.00	27.00
Dr. Arvind Sahay	5	11.75	0	0	15.00	26.75
Mr. VV Ranganathan	5	15.25	0	0	20.00	35.25
Mr. Dhirup Roy Choudhary	5	NA	460.08	0	0	460.08

Notes:

- 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 financial years 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 as recommended by the Nomination and Remuneration cum Compensation Committee and approved by Board, in addition to the sitting fees.
- 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.
- As on March 31, 2021, none of the Independent Directors hold stock options or shares of the Company.
- 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.
- The details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting as required under Regulation 36 of Listing Regulations are provided in the Notice convening Annual General Meeting.
- The Chairman of the Committee was present at the Annual General Meeting held on July 29, 2020.
- 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.
- Details of Employee Stock Options, issue price, holding of ESOPs by KMPs, details of exercise, vesting etc., are provided in others parts of the Annual Report.

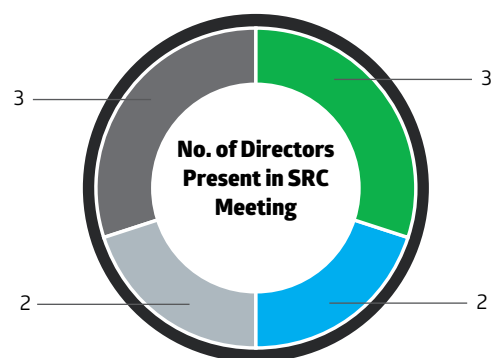
### 3.3 Stakeholders' Relationship Committee:

#### (a) Composition and Meetings

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

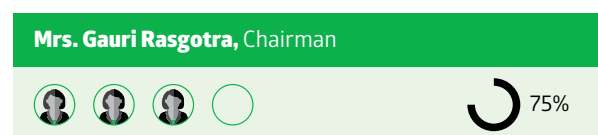
The Committee is empowered to oversee the redressal of investor complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints. In accordance with SEBI Listing Regulations, the 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 at the meetings were as follows:



- May 25, 2020
- August 6, 2020
- November 10, 2020
- February 2, 2021

#### No. of Meetings Attended by Directors



**Dr. Arvind Sahay, Member**


75%

**Mr. VV Ranganathan, Member**


100%

**(b) Compliance Officer**

Mr. Mahesh Thakar, 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.

During the year the following are the changes to Company Secretary and Compliance Officer.

S. No.	Name of the Person	Designation	Remarks
1	Mr. Mahesh Thakar	Company Secretary & Head Legal	Appointed w.e.f February 2, 2021
2	Mr. Ashish Malhotra	Company Secretary & Head Legal	Appointed w.e.f August 14, 2020 and resigned w.e.f September 30, 2020
3	Mr. G Manikandan	Company Secretary & Financial Controller	Resigned w.e.f August 13, 2020.

**(c) Shareholders' Complaints and Redressed**

During the year 2020-21, 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, 2020	Received during the year	Resolved during the year	As on March 31, 2021
Non-Receipt of Dividend Warrants	0	0	0	0
Non-Receipt of Share Certificates on transfer	0	0	0	0
Non-Receipt of Annual Report	0	0	0	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 2 (Two) are Independent Directors. During the year under review, the Corporate Social Responsibility (CSR) Committee met on May 25, 2020. The composition of the Corporate Social Responsibility (CSR) Committee and the attendance of each Member of the Committee at the meetings were as follows:

**No. of Meetings Attended by Directors**
**Mr. Desh Deepak Khetrpal, Chairman**


100%

**Mrs. Gauri Rasgotra, Member**


100%

**Mr. VV Ranganathan, Member**


100%

The Terms and Reference of the Committee are as follows:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy;
- recommend the amount of expenditure to be incurred on the activities as specified in Schedule VII of the Companies Act, 2013;
- monitor the Corporate Social Responsibility Policy of the Company from time to time;
- to do such act as specifically prescribed by Board and
- 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 Risk Management (RM) Committee:**
**(a) Composition and Attendance**

The Risk Management (RM) Committee comprises of 7 (Seven) members out of which 4 (Four) are Non-Executive Directors consists of 3 (Three) are Independent Directors and 1 (One) Non-Independent Director; 2 (Two) Key Managerial

Personnel out of which 1 (one) is Executive Director (Managing Director & CEO) and the other 1 (one) is Chief Financial Officer; 1(one) Head Internal Audit and the Committee is empowered with the powers as prescribed under Regulation 21 of Listing Regulations and Section 134 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, the Risk Management (RM) Committee met on November 10, 2020. The composition of the Risk Management (RM) Committee and the attendance of each Member of the Committee were as follows:

**No. of Meetings Attended by Directors / KMP / Sr. Management**

<b>Mr. VV Ranganathan, Chairman</b>	 100%
<b>Mrs. Gauri Rasgotra, Member</b>	 0%
<b>Dr. Arvind Sahay, Member</b>	 100%
<b>Mr. Desh Deepak Khetrpal, Member</b>	 100%
<b>Mr. Dhirup Roy Choudhary, Member</b>	 100%
<b>Mr. KR Veerappan, Member</b>	 100%
<b>Mr. Purav Gala, Member</b>	 100%

The Committee vested with the following Roles & Responsibilities:

- To assess the Company's risk profile and key areas of risk in particular.
- To recommend to the Board and adoption of risk assessment and rating procedures.
- To articulate the Company's policy for the oversight and management of business risks.

- To examine and determine the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
- To assess and recommend to the Board acceptable levels of risk.
- To develop and implement a risk management framework and internal control system.
- To report the trends on the Company's risk profile, reports on specific risks and the status of the risk management process.
- To define the risk appetite of the organization.
- To assist the Board in setting risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.
- To review and assess the quality, integrity and effectiveness of the risk management systems and ensure that the risk policies and strategies are effectively managed.
- To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk.
- To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually for the purpose of making its public statement on risk management including internal control.
- Such other roles and responsibilities as delegated by the Board.

**4. Subsidiary Company**

As per the criteria given in Regulation 16 of Listing Regulation, HIL International GmbH, Germany is a material subsidiary of the Company. Brief details of the Subsidiaries including step down subsidiaries are given in the Board's report.

The following key matters relating to the subsidiaries are regularly taken up by the Audit Committee/Board:

- Minutes of the previous meeting in a form of update by the Managing Director & CEO, who is also the Director in the Material Subsidiary.
- Review of financial statements, investments made by the subsidiary
- Major dealings such as assets, loans, material transactions etc.,
- Significant Transactions or contracts
- Compliance certificates as required.

The Company has formulated a Material Subsidiary Policy and the said policy is available on website of the Company <https://hil.in/investor-relations/policies/>.

## 5. General Body Meetings

- (a) Annual General Meetings (AGM) for the years

<b>2017-18 and 2018-19</b>	Asbestos Centre, Road No.13, Banjara Hills, Hyderabad
<b>2019-20</b>	Virtual E-AGM

Financial Year Ended	Day	Time
March 31, 2020	July 29, 2020	3:00 P.M
March 31, 2019	July 24, 2019	3:00 P.M
March 31, 2018	August 6, 2018	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 August 6, 2018	<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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</li> </ul>
In the Annual General Meeting held on July 24, 2019	<ul style="list-style-type: none"> <li>To reappoint Mrs. Gauri Rasgotra (DIN: 06862334) as Independent Director of the Company</li> </ul>
In the Annual General Meeting held on July 29, 2020	<ul style="list-style-type: none"> <li>Nil</li> </ul>

- (c) **Postal Ballot :** The following Special Resolution passed through Postal Ballot on October 3, 2019:

Approval for "HIL Limited Employee Stock Option Scheme-2019" for the employees of the Company.

The Company has provided the remote e-voting services of NSDL and Mr. Mohit Gujar, of M/s. P S Rao & Associates, Practicing Company Secretaries, as the scrutinizer for conducting the postal ballot voting process including e-voting in a fair and transparent manner.

There were no postal ballots in 2018-19 and 2020-21.

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

## 6. Disclosures:

### (a) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations, 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 <https://hil.in/investor-relations/policies/>

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, SEBI 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 SEBI 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 <https://hil.in/investor-relations/policies/>

All the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2021. A declaration to this effect signed by Managing Director & CEO forms part of this report as an Annexure.

### (d) Whistle Blower Policy/Vigil Mechanism

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 SEBI LODR Regulations, 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/investor-relations/policies/>

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.

**(e) Material Subsidiary Policy:** As per Regulation 16(1) (c) of the Listing Regulations, Company adopted the Material Subsidiary Policy and placed the same on website of the Company and web link thereto is <http://hil.in/investor-relations/policies/>

**(f)** Pursuant to Regulation 43A of Listing Regulations, the Board of Directors of your Company have adopted a Dividend Distribution Policy. The policy lays down, in the interest of transparency to its shareholders, a broad framework and factors which the Board would consider for deciding the distribution of dividend to its shareholders and/ or plough back of the profits into business operations of the Company. The said policy is available on the Company's website <https://hil.in/investor-relations/policies/>

**(g) 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.

**(h) CEO/CFO Certification**

In terms of requirements of Clause 17(8) of Listing Regulations, Mr. Dhirup Roy Choudhary, Managing Director & CEO and Mr. KR Veerappan, Chief Financial Officer have furnished a certificate to the Board in the prescribed format for the year ended March 31, 2021, which 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 14, 2021.

**(i) 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.

**(j) Compliance Certificate of conditions of Corporate Governance**

The Certificate from M/s. 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, 2021 forms part of this report.

**(k) 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.

**(l) 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 Committees. 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 Committees. To build awareness in this area, the Company has been conducting induction / awareness programmes in the organization on a continuous basis.

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

**(m) 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.

**7. 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://www.hil.in/investor-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://www.hil.in/investor-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://www.hil.in/investor-relations/> on approval of quarter, half and yearly results by the Board of Directors of the Company.

## 7. GENERAL SHAREHOLDER'S INFORMATION:

Date, time and Venue of AGM	Friday, July 30, 2021 at 3.00 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") (Facility hosted by NSDL)
Financial year	April 1, 2020 to March 31, 2021
Book Closure	From Saturday, July 24, 2021 to Friday, July 30, 2021 (both days inclusive)
Record Date for Final Dividend	Friday, July 23, 2021
Dividend Payment Date	Final Dividend will be credited or dispatched from August 8, 2021 onwards. Interim dividend declared during the year 2020-21 was paid on February 20, 2021.
Listing on Stock Exchanges	1) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, MUMBAI - 400001 2) National Stock Exchange of India Limited. 'EXCHANGE PLAZA' 5 <sup>th</sup> 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 2020-2021 and 2021-22 has been paid to both the above said Stock Exchanges.
E-voting facility	Open Date: Monday, July 26, 2021 @ 9:00 AM Close Date: Thursday, July 29, 2021 @ 5:00 PM
Address for Correspondence	Mr. Mahesh Thakar, Company Secretary & Head Legal HIL Limited, 7 <sup>th</sup> Floor, SLN Terminus, Survey No.: 133, Beside Botanical Gardens, Gachibowli, Hyderabad- 500032. Tel: 91 40 68249000 (B), 91 40 68349150 (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

**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 23, 2021 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.

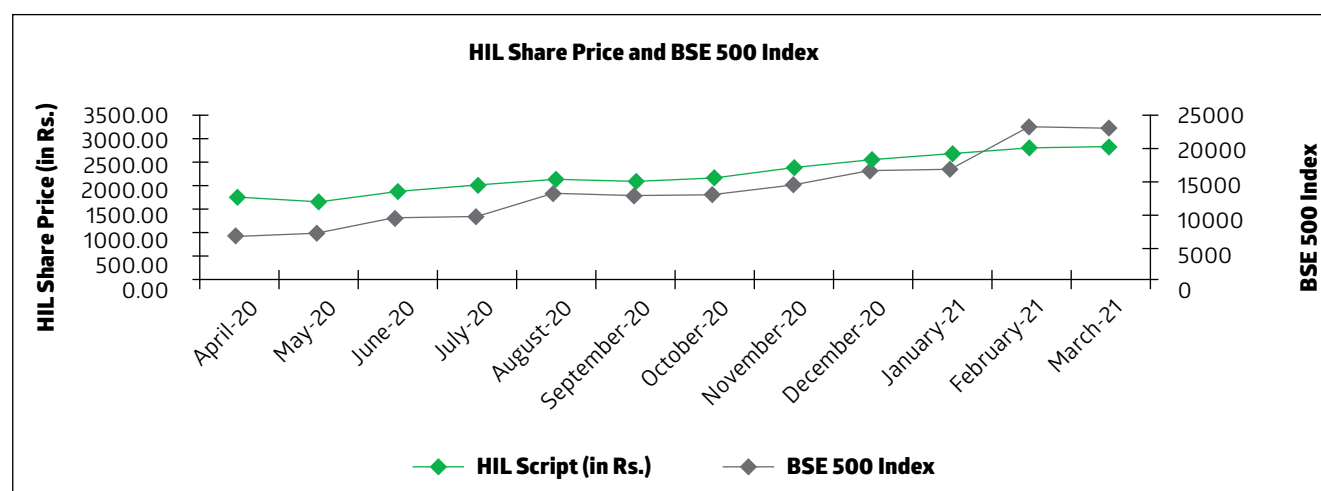
## Market Price Data

High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2020-21 at the BSE Limited and the National Stock Exchange of India Limited were given below:

Month	Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Ltd., (NSE)			BSE 500 Index	
	High (₹)	Low (₹)	No. of Shares Traded	High (₹)	Low (₹)	No. of Shares traded	High	Low
Apr-20	896.55	619.10	66249	893.85	618.00	1046672	12760.95	10498.79
May-20	966.35	740.00	46249	969.00	736.95	809410	12432.27	11483.74
Jun-20	1318.65	940.00	162600	1320.05	934.55	1364223	13790.81	12493.50

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
Jul-20	1365.00	1128.00	65490	1367.00	1138.00	704837	14571.36	13431.20
Aug-20	1880.00	1244.20	134791	1879.00	1244.30	1338680	15480.45	14174.24
Sep-20	1792.80	1539.25	37968	1799.70	1536.10	425394	15324.79	14200.86
Oct-20	1812.90	1616.00	23858	1820.60	1611.00	200089	15606.91	14972.47
Nov-20	2097.00	1665.10	47250	2089.95	1660.00	628657	17134.36	15125.40
Dec-20	2333.95	1863.00	43051	2345.00	1950.00	429255	18343.95	17028.60
Jan-21	2315.65	2115.20	26502	2319.95	2116.30	260254	19345.29	17927.75
Feb-21	3180.40	2188.90	63891	3281.10	2187.45	652651	20230.60	17977.70
Mar-21	3219.00	2793.70	15862	3222.95	2790.00	253051	20390.36	19009.22

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



**Registrar and Transfer Agents** : M/s.Venture Capital and Corporate Investments Private Limited, 12-10-167, Bharat Nagar, Hyderabad - 500018 Tel: 91 40 23818475 / 476, Fax: 91 40 2386802, 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 Listing Regulations, 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, 2021**

S. No.	Range	No. of Shares	Percentage to Capital	No. of Shareholders	Percentage to Total
1	Upto - 500	1360363	18.16	23066	95.56
2	501 - 1000	410316	5.48	551	2.28
3	1001 - 2000	363259	4.85	259	1.07
4	2001 - 3000	212322	2.83	84	0.35
5	3001 - 4000	158829	2.12	45	0.19
6	4001 - 5000	165415	2.21	36	0.15
7	5001 - 10000	384695	5.13	53	0.22
8	10001 and above	4437344	59.22	44	0.18
<b>Total</b>		<b>7492543</b>	<b>100.00</b>	<b>24138</b>	<b>100.00</b>



**Shareholding Pattern as on March 31, 2021**

Sl. No.	Category	For the quarter ended March 31, 2021.	
		No. of shares held	% of share holding
01.	Promoters Group		
	Indian	3059212	40.83
	Foreign	-	-
02.	Non-promoters		
	Institutions	572054	7.63
	Central Government/State Government(s)	305552	4.08
	Non Institutions		
	a. Bodies Corporate	462741	6.18
	b. Individuals	2837049	37.86
	c. Clearing Members	18366	0.25
	d. Trust	3340	0.04
	e. Non Resident Individuals	202064	2.70
	f. IEPF Authority	32165	0.43
	<b>TOTAL</b>	<b>7492543</b>	<b>100.00</b>

**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, 2021, 99.26% of the Company's Equity Shares are in dematerialised form.

**Locations**

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

## 8. Other Information/Requirements:

### (a) 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, 2022 are as follows:

Board Meeting for consideration of unaudited quarterly results for the financial year 2021-22	Within forty five days from the end of the quarter, as stipulated under the SEBI Regulations.
Board Meeting for consideration of audited results for the current financial year 2021-22	Within sixty days from the end of the last quarter, as stipulated under the SEBI Regulations.
Annual General Meeting for adoption of Annual Accounts for the year 2021-22	On or before September 30, 2022

Note: The dates and time lines indicated are tentative and subject to actual due dates as per the provisions of Companies Act, 2013 and Listing Regulations.

### (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 Rs.9,78,338/- pertaining to unpaid/unclaimed final dividend 2012-13 has been transferred to Investor Education and Protection Fund (IEPF) on August 27, 2020.

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
2013-14	Final	18-Jul-2014	15-Aug-2021
2014-15	interim	16-Sep-2014	14-Oct-2021
2014-15	Final	30-Jul-2015	27-Aug-2022
2015-16	Interim	4-Feb-2016	04-Mar-2023
2015-16	Final	28-Jul-2016	26-Aug-2023
2016-17	Interim	16-Jan-2017	14-Feb-2024
2016-17	Final	18-Jul-2017	16-Aug-2024
2017-18	Interim	24-Jan-2018	22-Feb-2025
2017-18	Final	06-Aug-2018	04-Sep-2025
2018-19	Interim	08-Feb-2019	09-Mar-2026
2018-19	Final	24-Jul-2019	22-Aug-2026
2019-20	Interim	13-Feb-2020	14-Mar-2027
2019-20	Final	24-Jul-2020	27-Aug-2027
2020-21	Interim	02-Feb-2021	02-Mar-2028

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 2013-14 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 2013-14 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 2012-13	243	September 24, 2020

A list of above shareholders, who's 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
01.04.2020	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	32022	484
Add	Transfer to IEPF Suspense during the year Final (2012-13)	243	11
Less	Transfer from IEPF to Shareholders	100	1
31.03.2021	<b>Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;</b>	<b>32165</b>	<b>494</b>
31.03.2021	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	129	2
31.03.2021	number of shareholders to whom shares were transferred from suspense account during the year	100	1

Manner of claiming shares: Members are requested to follow the detailed manner, as provided by the IEPF authority to claim their shares/dividends from IEPF Suspense Account.

Detailed manner is available at <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, 2021 a total of 21,360 Options were outstanding under HIL Employee Stock Option Scheme 2015 and 86,867 were outstanding under HIL Employee Stock Option Scheme 2019. Each Option is convertible into one equity share of ₹ 10/- each. The Company had not issued any GDRs/ADRs/ Warrants etc. during the year 2020-21.

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

During the year 2020-21, 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 notes forming part of the financial statements.

#### (f) Register 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 e-mail address provided by them and/ or 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 SEBI Listing Regulations and are independent of the management.

#### (h) Resignation of Independent Directors

There were no resignation of Independent Directors during the year.

(i) Certificate from M/s. PS Rao & Associates, Company Secretary in Practice dated May 10, 2021, 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 enclosed herewith.

(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:- ₹ 115.09 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 CEO.
- Shareholders Rights –As per requirements, the financial results were made available on the Company's website [www.hil.in](http://www.hil.in).
- Audit Qualifications – There were no qualifications by the Auditors on the financial statements of the Company.
- Reporting of Internal Auditor – The Audit Committee was briefed through discussions and presentations the observations, review, comments, recommendations etc. through Internal Audit presentation by the Internal Auditor of the Company.

## Annexures to CG Report

### Certificate under regulation 17(8) of sebi (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, 2021 and that to the best of our knowledge and belief we hereby certify that:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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
- Significant changes in internal control over financial reporting during the period;
  - Significant changes in accounting policies during the period and the same have been disclosed in the notes to the financial statements; and
  - 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  
HIL Limited

Place: Hyderabad  
Date: May 14, 2021

**Dhirup Roy Choudhary**  
Managing Director & CEO  
HIL Limited

Place: Kula Lampur

### Declaration by the managing director

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 2020-2021.

Place: Kula Lampur  
Date: May 14, 2021

**Dhirup Roy Choudhary**  
Managing Director & CEO

## Independent Auditors' Certificate on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Members of HIL Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated October 21, 2019 and addendum to the engagement letter dated May 13, 2021.
2. We have examined the compliance of conditions of Corporate Governance by HIL Limited ("the Company"), for the year ended March 31, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### Auditors' Responsibility

4. 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 financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2021.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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.

Independent Auditors' Certificate on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (continued)

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any 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 without our prior consent in writing.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/ W-100024

**Vikash Somani**

Partner

Membership No: 061272

ICAI UDIN: 21061272AAAABB7710

Place: Hyderabad

Date: May 14, 2021

## Secretarial Compliance Report of HIL Limited for the Financial Year ended March 31, 2021

To  
Board of Directors  
Hil Limited  
Hyderabad.

We P. S. Rao & Associates Company Secretaries have examined:

- (a) all the documents and records made available to us and explanation provided by M/s HIL Limited ("Listed Entity") having its registered office at SLN Terminus 7<sup>th</sup> Floor, SY No. 113, Hyderabad 500032, Telangana, India, hereinafter referred to as **"the listed entity"**.
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31.03.2021 ("01.04.2020 to 31.03.2021") in respect of compliance with the provisions of:
- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable during the reporting period**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **Not Applicable during the reporting period**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;-
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;- **Not Applicable during the reporting period**

- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - **Not Applicable during the reporting period**
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Depositories Act, 1996
- (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
- (k) 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 and circulars/ guidelines issued thereunder; and based on the above examination, I/We hereby report that, during the Review Period:
- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder,
- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) There were no instances of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder during the Reporting period:
- (d) There were no observations made in previous reports issued to the Company:
- (e) Since the Auditor has already been appointed, the terms of appointment of the Auditor have been suitably modified to give effect to 6(A) and 6 (B) of SEBI Circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019.

**For P.S. Rao & Associates**  
Company Secretaries

**Mohit Gurjar**  
Partner

M. No. 20557  
C P No: 18644

Place: Hyderabad  
Date: May 10, 2021

UDIN: A020557C000270213

## Certificate of Non-Disqualification of Directors

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members of  
HIL Limited  
SLN Terminus  
7<sup>th</sup> Floor, SY No. 113,  
Hyderabad - 500032

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HIL Limited having CIN: L74999TG1955PLC000656 and having registered office at SLN Terminus 7<sup>th</sup> Floor, SY No. 113, Hyderabad - 500032 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any other Statutory Authority.

S. No.	Name of Director	DIN	Date of appointment in Company
1	Dhirup Roy Choudhary	07707322	January 16, 2017
2	Velloor Venkatakrishnan Ranganathan	00060917	March 19, 2019
3	Chandrakant Birla	00118473	February 4, 1980
4	Desh Deepak Khetrpal	02362633	October 28, 2013
5	Arvind Sahay	03218334	February 8, 2019
6	Gauri Rasgotra	06862334	May 8, 2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P.S. Rao & Associates**  
Company Secretaries

**Mohit Gurjar**  
Partner

M. No. 20557  
C P No: 18644

UDIN: A020557C000172874

Place: Hyderabad  
Date: May 10, 2021

## Details in Respect of Director Seeking Re-Appointment at the AGM

(Regulation 36 of Listing Regulations and Secretarial Standard - 2 on General Meeting)

<b>Name</b>	<b>Mr. Desh Deepak Khetrpal</b>
<b>Designation</b>	<b>Non-Executive Director</b>
<b>Date of Birth</b>	July 5, 1955
<b>Date of Appointment</b>	October 28, 2013
<b>DIN No.</b>	02362633
<b>Qualification &amp; Expertise in specific functional areas</b>	Mr. Desh Deepak Khetrpal, aged 66 years, holds an Honours degree in Business Economics, a Master's degree in Marketing and Finance from Delhi University and is an alumni of Faculty of Management Studies, University of Delhi. He has a rich experience in industrial, consumer and retail businesses. He is a business leader with a track record of leading and transforming large and diversified organisations across various industries including services, industrials, consumer and retail businesses.
<b>Occupation</b>	Service
<b>Directorships held in other Companies</b>	<ol style="list-style-type: none"> <li>Orient Cement Limited (Managing Director &amp; CEO)</li> <li>Orient Electric Limited (Non-Executive Director)</li> </ol>
<b>Memberships/ Chairmanships of Committees other than HIL Limited</b>	<ol style="list-style-type: none"> <li><b>Orient Cement Limited</b> <ul style="list-style-type: none"> <li>Audit Committee</li> <li>Stakeholders' Relationship Committee</li> <li>Corporate Social Responsibility Committee</li> <li>Fund Raising Committee</li> <li>Risk Management Committee</li> </ul> </li> <li><b>Orient Electric Limited</b> <ul style="list-style-type: none"> <li>Audit Committee</li> <li>Nomination and Remuneration Committee</li> <li>Corporate Social Responsibility Committee</li> <li>Risk Management Committee</li> </ul> </li> </ol>
<b>Shareholding in the Company</b>	Nil



## Annexure (IV): 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.

- 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.
- 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:

S. No.	Name(s) of the related party	Nature of relationship	Nature and Salient terms contracts /arrangements/ transactions including the value, if any (₹ Lacs)	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.	Receipt of Rent, Reimbursement of Property tax and Maintenance Charges	81.84	Ongoing	Refer Note-1
		2) Mr. Desh Deepak Khetrpal, Director of the Company is the Managing Director & CEO of Orient Cement Limited	Sales of Company Products*	0.38	On requirement basis	
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.	Receipt of Rent, Reimbursement of Property tax and Maintenance Charges	66.04	Ongoing	Refer Note-1
		2) Mrs. Gauri Rasgotra, Independent Director of the Company is an Independent Director of Orient Paper Limited				
3	HIL International GmbH, Germany	Wholly Owned Subsidiary of the Company	Interest Income	1687.77	Ongoing as per loan agreement	Refer Note-2
			Loan (Principle part Repayment)	4660.27		
4	Parador GmbH, Germany	Step Down Subsidiary of the Company	Purchases of Goods	150.50	On requirement basis	Refer Note-1
			Reimbursements of expenses	19.46		

\*Reported on accrual basis.

### Note:

- As per the provisions of Companies Act, 2013, SEBI (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 August 6, 2020. The transactions are also ratified by the Audit Committee and Board on quarterly basis.

The sale and purchase values are shown at base value of the materials sold or purchased, including taxes applicable.

- As per the terms of Loan Agreement dated August 14, 2019 entered between Company and HIL International GmbH, Germany (WOS).

## Annexure (V): 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, 2021

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, 2021** 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, 2021 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 ('SEBI 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 ('SEBI 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. SEBI (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.

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**  
Partner

M. No. 20557  
C P No: 18644

Place: Hyderabad  
Date: May 10, 2021

UDIN: A020557C000270422

## 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. In view of the spread of the COVID-19 Pandemic, the audit was conducted based on the information and documents provided by the management of the Company.
7. 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**  
Partner

M. No. 20557

C P No: 18644

UDIN: A020557C000270422

Place: Hyderabad  
Date: May 10, 2021

## Annexure (VI): Report on Subsidiaries & Joint Ventures

### Form 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

S. No.	Name of the subsidiary	HIL International GmbH, Germany	Parador Holdings GmbH, Germany	Parador GmbH, Germany	Parador Parkettwerke GmbH, Germany
	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	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021	April 1, 2020 to March 31, 2021
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	34,025,000.00	100,000.00	25,000.00	327,027.75
4	Reserves & surplus	4,548,376.38	10,136,471.09	1,578.85	10,606,374.44
5	Total assets	86,354,600.00	49,073,325.27	74,074,045.20	22,094,604.73
6	Total Liabilities	36,635,264.00	38,836,854.18	74,047,466.35	10,405,658.87
7	Investments	54,026,888.96	26,066.25	8,608,583.00	0.00
8	Turnover	0.00	0.00	168,443,187.50	33,819,699.76
9	Profit before taxation	15,127,979.52	0.00	0.00	995,653.05
10	Provision for taxation	1,622,650.00	0.00	0.00	603,531.54
11	Profit after taxation	11,145,959.62	0.00	0.00	755,543.67
12	Proposed Dividend	0.00	0.00	0.00	0.00
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

- Names of subsidiaries which are yet to commence operations: **Not Applicable**
- 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

	Name of Joint Venture	Supercor Industries Limited, Nigeria	Parador (Shanghai) Trading Co., Ltd., China
1	<ul style="list-style-type: none"> <li>Last audited Balance Sheet Date</li> <li>Latest Balance Sheet</li> </ul>	December 31, 2015 Refer note no. 46 to Notes to Accounts.	December 31, 2020 Refer note no. 46 to Notes to Accounts.
2	Shares of Joint Ventures held by the Company on the year end <ul style="list-style-type: none"> <li>Number</li> <li>Amount of Investment in JV</li> <li>Extent of Holding</li> </ul>	41,25,000 equity shares of Naira 1/- each ₹ 142.60 Lacs 33%	One share of EURO 100,000 each ₹ 252.99 Lacs* 50%
3	Description of how there is significant influence	There is no significance influence	There is no significance influence
4	Reason why the associate/joint venture is not consolidated	Refer note no. 46 to Notes to Accounts	Not Applicable
5	Net worth attributable to shareholding as per latest Balance Sheet	Refer note no. 46 to Notes to Accounts	₹ 232.79 Lacs*
6	Profit/Loss for the year <ul style="list-style-type: none"> <li>Considered in Consolidation</li> <li>Not Considered in Consolidation</li> </ul>	Refer note no. 46 to Notes to Accounts	₹ 114.02 Lacs

\*As per exchange rates as at 31 March 2021

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

## Annexure (VII):

### 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.

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2020-21:

S. No.	Name of the Director/KMP (Designation)	Remuneration for FY 2020-21 <sup>1</sup> (₹ in Lacs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2020-21
1	Mr. CK Birla (Chairman)	58.50	13.24	NA
2	Mr. VV Ranganathan (Independent Director)	35.25	7.98	NA
3	Dr. Arvind Sahay (Independent Director)	26.75	6.05	NA
4	Mrs. Gauri Rasgotra (Independent Director)	27.00	6.11	NA
5	Mr. Desh Deepak Khetrpal (Non-Executive Director)	32.25	7.30	NA
6	Mr. Dhirup Roy Choudhary (Managing Director & CEO)	460.08	104.09	#
7	Mr. KR Veerappan (Chief Financial Officer)	184.12	41.66	#
8	Mr. Mahesh Thakar*** Company Secretary & Head Legal)	9.83	NA	NA
9	Mr. Ashish Malhotra * Company Secretary & Head Legal)	12.57	NA	NA
10	Mr. G Manikandan** (Company Secretary & Financial Controller)	45.85	NA	NA

<sup>1</sup> & includes Sitting Fees paid and Commission payable for the year 2020-21 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 (other than exit cases) has been shown on payment basis.

\*appointed as Company Secretary on August 14, 2020 and resigned on September 30, 2020.

\*\*resigned as Company Secretary & Financial Controller on August 13, 2020.

\*\*\*appointed as Company Secretary on February 2, 2021.

# During the year, in view of Covid, there was no salary revisions for the KMPs and Select Senior Management Team. The change is due to the prerequisites and variable pay.

- The median remuneration of employees of the Company during the financial year 2020-21 was ₹ 4.42 Lacs against the median remuneration of ₹ 4.31 Lacs during the previous year signifying an increase of 2.63% in the financial year;
- As on March 31, 2021, there were 1556 permanent employees on the rolls of Company.
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2020-21 was 1.62% whereas the percentage increase in the managerial remuneration for managerial personnel in the last financial year i.e. 2020-21 was nil

**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:**

S. No	Name & Designation of the employee	Remuneration for FY 2020 - 21 (₹ in Lacs)	Qualification and age (in years)	Date of commencement of employment/cessation	Last employment	Shares held in Company
1	Mr. Dhirup Roy Choudhary Managing Director & CEO	460.08 <sup>^</sup>	BE (Electrical & Electronics), MDP (IIM-A) (52 yrs)	16/Jan/2017 (28yrs)	Metrod Holding Berhad, (Bagri Group of Companies, UK)	14740
2	Mr. Karuppan Chetty Veerappan Chief Financial Officer	184.12	B.Com (Hons), ACA (54 yrs)	06/Feb/2014 (30yrs)	Global Green Company Ltd	7450
3	Mr. Hemchandra Peruvelli Chief Human Resources Officer	124.29	PGD PM & IR (49 yrs)	04/Sep/2017 (24yrs)	Ali Bin Ali Group (Qatar)	Nil
4	Mr. Jhunjunwala P K Head - Imports	84.11	B Com, FCA (67 yrs)	15/Jan/1977 (43 yrs)	NA	27
5	Dr. Vivek Chandra Rao S P Head - Occupational Health	77.07	MBBS, PGDM (68 yrs)	28/Jul/1980 (40 yrs)	NA	50
6	Mr. Vijay Kumar Lahoti Head Sales – Roofing Business	76.40	MBA (50 yrs)	19/Aug/2019 (26 yrs)	Gujarat Tea Processors & Packers (Wagh Bakri tea Group)	Nil
7	Mr. Murali Raj G R Chief Information Officer	62.78	B.E., MBA (50 yrs)	21/May/2018 (24 yrs)	Maveric Systems Limited	Nil
8	Dr. D Satyanarayana Head - Research & Development	62.05	M. Sc, PhD. (57 yrs)	06/Oct/2012 (26 yrs)	Kemrock Industries & Exports Limited	Nil
9	Mr. Jayakrishnan N K Business Head - Building Solutions Business	56.93	B.E (61 yrs)	08/May/2000 (34 yrs)	ISGEC	Nil
10	Iqbal Krishen Pandit - Head - Quality Assurance	56.58	B. Sc, PGDM (55 yrs)	26/Mar/2011 (31 yrs)	Berger Paints India Limited	Nil

\* Employees who are on rolls as on March 31, 2021 are shown. for details of employees who resigned, please refer below.

<sup>^</sup> included perquisite value of option exercised during the year

**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]**

Nil

**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)]**

S. No	Name & Designation of the employee	Remuneration for FY 2020-21 (₹ in Lacs)	Qualification and age (in years)	Date of commencement of employment/cessation	Last employment	No of Shares in the Company
01	Mr. Piyush Mangal – Business Head – Building Solutions Business	48.78	B. E. (49 yrs)	08/Jul/2019 (25 yrs)*	Signode India Limited	10
02	Mr. Agam Bhatnagar - COO & Business Head - Pipes and Fittings Business	40.35	Diploma, M.B.A (44 yrs)	15/Jun/2020 (21yrs)*	Hunstman International	Nil
03	Mr. Manish Kothari - Head - Strategy	25.17	PGDM (42 yrs)	18/Dec/2020 (15 yrs)	Jindal Poly Films, India	Nil
04	Mr. Arun Kumar Magoo Business Head - Polymer Business	69.03	M. Tech, MBA, MS in International Management (37 yrs)	01/Jun/2020 (12 yrs)	CK Birla Group, Mckinsey & Co.	Nil

\* Date of cessation/appointment;

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

Notes:

- All appointments of the employees referred in 10 above are contractual and terminable by notice on either side.
- 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 and gratuity provision.
- None of the employees mentioned above is related to any director of the Company.
- 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.
- 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.
- The remuneration not include the provisions made towards Gratuity, leave benefits, as they are paid as per the Company's policy. Variable pay has been shown on payment basis.

## Annexure (VIII):

### 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 Tamilnadu. Our Company is making constant efforts to explore further areas of improvement as part of the ongoing program to optimise usage of energy. The Company is also in the process of installing solar panels at its manufacturing plants located at Chennai, Tamil Naidu and Faridabad, Haryana to reduce its carbon foot print.

**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. The Company is investing approx. 2.4 Crores for setting up solar projects and reduce it carbon foot print.

#### (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 product, resolving the production issue and improving the quality of the product. Specific areas in which R&D is carried out by the Company are:

- a. Filed one patent applications in India this financial year. The patents are entitled
  1. "Non-asbestos fiber cement corrugated sheets and manufacturing method thereof".
- b. Successfully developed the humid cure non-asbestos fiber cement sheets with high strength meeting IS 14871 Category C and Class 7
- c. Acid resistant coating developed for industrial roofing applications

- d. Online painting technology developed for fiber cement sheets
- e. In-house, cost effective different RAL colour paints developed for coating on Charminar Fortune
- f. Developed tile adhesives T1 & T4
- g. Epoxy tile grout developed
- h. Modified panel jointing compound developed
- i. High STC non-asbestos panel of 75 mm thickness developed
- j. Developed type-A CB board for external application
- k. Decorative interior & exterior primer developed
- l. Introduced universal Stainer
- m. Developed CaZn, organic and hybrid stabilizer for PVC pipes & fittings
- n. Introduced project putty, white cement & gypsum plaster
- o. Developed water proofing putty
- p. Introduced water storage tank, Teflon tape & half round pipe for rain water harvesting
- q. Developing substitutes for raw materials to address issues of declining availability of raw material and also for cost savings.
- r. Developing new mix of raw materials for better product attributes and lower costs.
- s. Improving cost effectiveness and quality of products through new, improved manufacturing processes, productivity improvements.
- t. Effective utilization of resources like energy, water and process waste materials.

##### 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	2020-21 (₹ in Lacs)
Capital	23.49
Recurring	443.60
<b>Total</b>	<b>467.09</b>
Total R&D expenditure as a Percentage of total Income	0.3%

#### (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	2020-21 (₹ in Lacs)
<b>A</b>	<b>Foreign Exchange Earned</b>	
	Export of Goods (FOB)	279.19
	Others	6346.47
	<b>Total</b>	<b>6625.66</b>
<b>B</b>	<b>Foreign Exchange Used</b>	
	Raw Materials, Components, Spares and Capital Goods (CIF)	17731.53
	Others	68.02
	<b>Total</b>	<b>11799.56</b>

The background is a solid green color with several overlapping, semi-transparent shapes in various shades of green. These shapes include circles and teardrop-like forms, creating a layered, organic effect. The text is centered within one of the larger, darker green shapes.

# **Standalone Financial Statements**

# Independent Auditors' Report

To the Members of HIL Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of HIL Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, 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 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 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 2021, 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 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 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 on the standalone financial statements.

### Key Audit Matters

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

## Revenue Recognition

The key audit matter	How the matter was addressed in our audit
<p><b>See note 23 to the standalone financial statements</b></p> <p>The Company's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions and others.</p> <p>We have identified timing of revenue recognition as a key audit matter because there are variations in different sale contracts and consequently, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year and understatement on account of recognition of revenue in the subsequent period due to achievement of the performance targets for the current year.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>- We assessed the appropriateness of the revenue recognition accounting policies and compliance with applicable accounting standards;</li> <li>- We evaluated the design and implementation of key internal financial controls with respect to revenue recognition and tested operating effectiveness of such controls on selected transactions;</li> <li>- We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents to assess whether criteria for revenue recognition are met;</li> <li>- We tested sample journal entries selected based on specified risk-based criteria, to identify unusual items;</li> <li>- We tested, on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by testing the underlying documents; and</li> <li>- We carried out product wise year on year variance analysis on revenue recognised during the year to identify unusual variances.</li> </ul>

## Independent Auditors' Report on the Audit of the Standalone Financial Statements of HIL Limited for the year ended 31 March 2021 (Continued)

### 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 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 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 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 and Board of Directors' Responsibility for the Standalone 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 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditors' Report on the Audit of the Standalone Financial Statements of HIL Limited for the year ended 31 March 2021 (Continued)

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 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 (1) 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. (A) 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 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 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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 2021 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 53 to the standalone 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 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 financial statements since they do not pertain to the Financial Year ended 31 March 2021.
- (C) 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 **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

**Vikash Somani**

Partner

Membership No.: 061272

ICAI UDIN: 21061272AAAAAX7860

Place: Hyderabad

Date: 14 May 2021

# Annexure A

## to the Independent Auditors' Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2021

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 financial statements for the year ended 31 March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its 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 fixed assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed 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 for freehold land and investment property of ₹ 1.27 lacs and ₹ 427.60 lacs respectively, titles of which is yet to be registered in the name of the Company. Also, refer Note 4(a) and 5(c) to the standalone 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 account.
- iii. The Company has granted unsecured loan to one of its wholly owned subsidiary which is covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act"). The Company has not granted any other 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 aforesaid loan 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 generally regular.
  - c) There are no overdue amounts in respect of the aforesaid loan.
- 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 parties 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 of India 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 though there have been slight delays in few cases. 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 2021 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 39 to the standalone 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 Excise and Value added tax on account of any dispute are as follows:

# Annexure A

to the Independent Auditors' Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2021 (Continued)

Statute/ Nature of dues	Amount in Rupees lacs*	Period to which the amount relates	Forum where dispute is pending
Sales tax/ Value added tax	2.66	1988-89, 1990-91, 1997-98	Supreme Court
	105.26	1981-82, 1985-86, 2001-02, 2002-03, 2007-08, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18	High Court(s)
	463.78	1989-2015	Tribunal(s)
	1888.93	1991-2018	Appellate Authority up to Commissioner's level
Excise duty (including service tax)	90.10	2004-09	Supreme Court
	1.28	2007-08	High Court(s)
	315.27	2008-2018	CESTAT(s)
	498.04	2003-2018	Appellate Authority up to Commissioner's level
Income-tax	938.97	2005-06, 2013-14	High Court
	291.56	2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2018-19	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.

As explained to us, the Company did not have any disputed statutory dues on account of Duty of Customs.

- 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 are 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, all 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 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 are 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 provisions of Clause 3(xvi) of the Order are 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

ICAI UDIN: 21061272AAAAAX7860

Place: Hyderabad

Date: 14 May 2021

# Annexure B

to the Independent Auditors' Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2021

## Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(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 2021 in conjunction with our audit of the standalone 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 financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone 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 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 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 financial statements.

### Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 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 financial statements.



# Annexure B

to the Independent Auditors' Report on the Standalone Financial Statements of HIL Limited for the year ended 31 March 2021 (Continued)

## Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**Vikash Somani**  
Partner  
Membership No.: 061272  
ICAI UDIN: 21061272AAAAAX7860

Place: Hyderabad  
Date: 14 May 2021

# Standalone Balance Sheet

(₹ in lacs)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	55180.07	52556.79
(b) Capital work-in-progress	4	601.84	2742.90
(c) Investment property	5	2009.57	2039.94
(d) Other intangible assets	6	1968.26	2008.33
(e) Intangible assets under development	4	174.55	-
(f) Financial assets			
(i) Investments	7	27377.89	27402.04
(ii) Trade receivables	8	4.36	4.36
(iii) Loans	9	9210.62	13437.87
(iv) Other financial assets	10	925.04	1317.67
(g) Non-current tax assets (net)		2077.63	2141.50
(h) Other non-current assets	11	801.47	1257.09
<b>Total non-current assets</b>		<b>100331.30</b>	<b>104908.49</b>
<b>Current assets</b>			
(a) Inventories	12	21319.34	28352.13
(b) Financial assets			
(i) Investments	7	3002.72	1600.03
(ii) Trade receivables	8	7917.30	9444.67
(iii) Cash and cash equivalents	13	1164.19	697.61
(iv) Bank balances other than (iii) above	14	323.28	289.49
(v) Other financial assets	10	314.89	1295.09
(c) Other current assets	11	5746.44	5244.62
(d) Disposal group - Assets held for sale	33	-	1866.89
<b>Total current assets</b>		<b>39788.16</b>	<b>48790.53</b>
<b>TOTAL ASSETS</b>		<b>140119.46</b>	<b>153699.02</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	751.97	750.55
(b) Other equity	16	86899.48	69752.42
<b>Total equity</b>		<b>87651.45</b>	<b>70502.97</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	6951.65	19769.41
(ii) Lease liabilities	18	270.16	492.79
(iii) Other financial liabilities	20	-	125.08
(b) Provisions	21	1487.51	1099.02
(c) Deferred tax liabilities (net)	34	3852.27	3857.56
(d) Other non-current liabilities	22	197.27	281.82
<b>Total non-current liabilities</b>		<b>12758.86</b>	<b>25625.68</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	5500.00	16355.17
(ii) Lease liabilities	18	112.89	241.65
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	980.30	628.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	16224.78	20888.68
(iv) Other financial liabilities	20	12728.26	15315.12
(b) Other current liabilities	22	3139.02	2647.96
(c) Provisions	21	872.73	864.01
(d) Current tax liabilities (net)		151.17	151.19
(e) Disposal group - Liabilities directly associated with assets held for sale	33	-	477.95
<b>Total current liabilities</b>		<b>39709.15</b>	<b>57570.37</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>140119.46</b>	<b>153699.02</b>
Summary of significant accounting policies	3		

See accompanying notes to the standalone financial statements  
As per our Report of even date attached

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

**Vikash Somani**  
Partner  
Membership No.: 061272  
Place: Hyderabad

Date: 14 May 2021

for and on behalf of the Board of Directors of **HIL Limited**  
CIN No.: L74999TG1955PLC000656

**CK Birla**  
Chairman  
DIN: 00118473  
Place: London

**KR Veerappan**  
Chief Financial Officer  
Place: Hyderabad

Date: 14 May 2021

**Dhirup Roy Choudhary**  
Managing Director and  
Chief Executive Officer  
DIN: 07707322  
Place: Kuala Lumpur

**Mahesh Thakar**  
Company Secretary and  
Head - Legal  
Place: Hyderabad

# Standalone Statement of Profit and Loss

(₹ in lacs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>CONTINUING OPERATIONS</b>			
I Revenue from operations	23	156588.84	132079.85
Other income	24	2606.72	3654.65
<b>TOTAL INCOME (I)</b>		<b>159195.56</b>	<b>135734.50</b>
<b>II EXPENSES</b>			
Cost of materials consumed	25	78364.15	62015.59
Purchases of stock-in-trade	26	4616.13	5573.53
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	206.64	(213.54)
Employee benefits expense	28	13301.40	13100.58
Finance costs	29	1868.74	3116.06
Depreciation and amortisation expenses	30	4916.97	4915.92
Other expenses	31	36760.17	38632.59
<b>TOTAL EXPENSES (II)</b>		<b>140034.20</b>	<b>127140.73</b>
<b>III Profit from continuing operations before tax (I-II)</b>		<b>19161.36</b>	<b>8593.77</b>
<b>IV Tax expense:</b>			
Current tax	34	4893.04	2627.16
Income-tax for earlier years	34	52.53	(58.38)
Deferred tax	34	(8.71)	(948.78)
<b>V Profit from continuing operations (III-IV)</b>		<b>14224.50</b>	<b>6973.77</b>
<b>VI Discontinued operations</b>			
Profit before tax from discontinued operations	33	6133.95	867.42
Tax expense of discontinued operations	34	1583.69	169.49
<b>Profit from discontinued operations (after tax)</b>		<b>4550.26</b>	<b>697.93</b>
<b>VII Profit for the year (V+VI)</b>		<b>18774.76</b>	<b>7671.70</b>
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of defined benefit asset		35.53	5.26
Income-tax relating to above item		(8.94)	(1.32)
		<b>26.59</b>	<b>3.94</b>
(b) Equity investments through other comprehensive income- net change in fair value		(24.15)	9.40
Income-tax relating to above item		5.53	(2.15)
		<b>(18.62)</b>	<b>7.25</b>
<b>Other comprehensive income for the year, net of income-tax</b>		<b>7.97</b>	<b>11.19</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>18782.73</b>	<b>7682.89</b>
<b>X Earnings per equity share for continuing operations (par value of ₹ 10 each)</b>			
Basic (in ₹)	37	189.97	93.29
Diluted (in ₹)		189.33	93.09
<b>XI Earnings per equity share for discontinued operations (par value of ₹ 10 each)</b>			
Basic (in ₹)	37	60.77	9.34
Diluted (in ₹)		60.56	9.32
<b>XII Earnings per equity share for continuing and discontinued operations (par value of ₹ 10 each)</b>			
Basic (in ₹)	37	250.74	102.62
Diluted (in ₹)		249.89	102.41
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: Hyderabad

for and on behalf of the Board of Directors of **HIL Limited**  
CIN No.: L74999TG1955PLC000656

**CK Birla**  
Chairman  
DIN: 00118473  
Place: London

**Dhirup Roy Choudhary**  
Managing Director and  
Chief Executive Officer  
DIN: 07707322  
Place: Kuala Lumpur

**KR Veerappan**  
Chief Financial Officer  
Place: Hyderabad

**Mahesh Thakar**  
Company Secretary and  
Head - Legal  
Place: Hyderabad

Date: 14 May 2021

Date: 14 May 2021

# Standalone Statement of Cash Flows

Particulars	(₹ in lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flows from operating activities</b>		
Profit for the year (before tax)	25295.31	9461.19
<i>Adjustments for:</i>		
Depreciation and amortisation expense	4916.97	4997.40
Rental income from investment property	(545.55)	(578.74)
Provision for impairment of receivables, advances and other assets, net	(194.19)	176.17
Liabilities no longer required written back	(27.87)	(597.88)
Net loss / (gain) on sale of property, plant and equipment	22.73	(537.55)
Foreign exchange fluctuations, net	(681.87)	(537.38)
Financial assets measured at FVTPL-net change in fair value	155.96	(491.11)
Net gain on sale of current investments	(8.39)	(40.56)
Employee share based payment expense	149.17	118.05
Finance costs	1868.74	3116.92
Interest income	(191.87)	(103.88)
Interest income from loan to subsidiary	(851.37)	(1215.87)
Interest income on income-tax refund	(133.35)	-
Government grant	(84.55)	(84.55)
Dividend income	(0.25)	(0.38)
Profit from sale of discontinued operation	(6056.14)	-
<b>Operating profit before changes in assets and liabilities</b>	<b>23633.48</b>	<b>13681.83</b>
Changes in assets and liabilities:		
Decrease / (increase) in inventories	7032.79	(6602.69)
Decrease in trade receivables and loans	5795.93	4495.96
Decrease in other financial assets	2.30	20.22
Increase in other assets	(280.67)	(1504.08)
(Decrease) / increase in trade payables	(3720.11)	163.05
Increase in other financial liabilities	2207.50	76.96
Increase in provisions	432.74	298.14
Increase / (decrease) in other current liabilities	491.06	(353.51)
<b>Cash generated from operating activities</b>	<b>35595.02</b>	<b>10275.88</b>
Income-tax paid (net of refund)	(6332.05)	(3209.91)
<b>Net cash from operating activities (A)</b>	<b>29262.97</b>	<b>7065.97</b>
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5471.62)	(6083.61)
Proceeds from sale of property, plant and equipment	164.77	624.00
Proceeds from sale of discontinued operation	7763.64	-
Proceeds from sale of mutual funds	10908.53	27740.52
Purchase of mutual funds	(12299.96)	(29300.00)
Interest received	1829.98	814.31
Dividends received	0.25	0.38
Bank balances not considered as cash and cash equivalents	91.75	10.15
Rent received from long-term investment in properties	545.55	578.74
<b>Net cash from / (used in) investing activities (B)</b>	<b>3532.89</b>	<b>(5615.51)</b>
<b>C Cash flows from financing activities*</b>		
Repayment of long-term borrowings	(22021.92)	(14469.50)
Receipts of long-term borrowings	4500.00	7000.00
(Repayment) / proceeds from short-term borrowings (net)	(10855.17)	11348.21
Interest on lease liabilities	(44.74)	(73.13)
Repayment of lease liabilities	(197.85)	(228.05)
Finance costs	(1923.58)	(3113.53)
Proceeds from issue of share capital	88.29	43.15
Dividend paid on equity shares	(1874.31)	(1691.89)
Tax on equity dividend paid	-	(345.69)
<b>Net cash used in financing activities (C)</b>	<b>(32329.28)</b>	<b>(1530.43)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>466.58</b>	<b>(79.97)</b>
Cash and cash equivalents at the beginning of the year	697.61	777.58
<b>Cash and cash equivalents at the end of the year</b>	<b>1164.19</b>	<b>697.61</b>

# Standalone Statement of Cash Flows (Continued)

## \* Changes in liabilities arising from financing activities:

(₹ in lacs)

Particulars	As at 01 April 2020	Cash flow changes	Non-cash changes	As at 31 March 2021
Long-term borrowings	26547.47	(17521.92)	21.70	9047.25
Short-term borrowings	16355.17	(10855.17)	-	5500.00

### Note:

- 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.
- The Company has presented its cash flows that analyses all cash flows in total - i.e., including both continuing and discontinued operations; amounts related to discontinued operations are disclosed in note 33. However in our view, cash flows from discontinued operations can also be presented in other ways.
- Cash and cash equivalents comprises of:

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
- In current accounts	1162.21	694.59
Cheques, draft on hand	-	0.10
Cash on hand	1.98	2.92
<b>Cash and cash equivalents as per balance sheet</b>	<b>1164.19</b>	<b>697.61</b>

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 **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/ W-100024

**Vikash Somani**

Partner

Membership No.: 061272

Place: Hyderabad

for and on behalf of the Board of Directors of **HIL Limited**

CIN No.: L74999TG1955PLC000656

**CK Birla**

Chairman

DIN: 00118473

Place: London

**Dhirup Roy Choudhary**

Managing Director and

Chief Executive Officer

DIN: 07707322

Place: Kuala Lumpur

**KR Veerappan**

Chief Financial Officer

Place: Hyderabad

**Mahesh Thakar**

Company Secretary and

Head - Legal

Place: Hyderabad

Date: 14 May 2021

Date: 14 May 2021

# Standalone Statement of Changes in Equity

## a. Equity share capital

(₹ in lacs)

Balance as at 01 April 2019	749.85
Changes in equity share capital during 2019-20	0.70
<b>Balance as at 31 March 2020</b>	<b>750.55</b>
Balance as at 01 April 2020	750.55
Changes in equity share capital during 2020-21	1.42
<b>Balance as at 31 March 2021</b>	<b>751.97</b>

## 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	
<b>Balance at 01 April 2019</b>	<b>22941.62</b>	<b>708.52</b>	<b>40100.00</b>	<b>35.00</b>	<b>116.66</b>	<b>34.66</b>	<b>63936.46</b>
<b>Total comprehensive income for the year ended 31 March 2020</b>							
Profit for the year	7671.70	-	-	-	-	-	7671.70
Share based payment, net of reversal (refer note 43)	-	-	-	-	118.05	-	118.05
Other comprehensive income (net of tax)	3.94	-	-	-	-	7.25	11.19
<b>Total comprehensive income</b>	<b>7675.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.05</b>	<b>7.25</b>	<b>7800.94</b>
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-
Dividend	(1681.75)	-	-	-	-	-	(1681.75)
Corporate dividend tax	(345.69)	-	-	-	-	-	(345.69)
Share options exercised	-	66.24	-	-	(23.78)	-	42.46
<b>Balance at 31 March 2020</b>	<b>27589.82</b>	<b>774.76</b>	<b>41100.00</b>	<b>35.00</b>	<b>210.93</b>	<b>41.91</b>	<b>69752.42</b>
<b>Balance at 01 April 2020</b>	<b>27589.82</b>	<b>774.76</b>	<b>41100.00</b>	<b>35.00</b>	<b>210.93</b>	<b>41.91</b>	<b>69752.42</b>
<b>Total comprehensive income for the year ended 31 March 2021</b>							
Profit for the year	18774.76	-	-	-	-	-	18774.76
Share based payment, net of reversal (refer note 43)	-	-	-	-	149.17	-	149.17
Other comprehensive income (net of tax)	26.59	-	-	-	-	(18.62)	7.97
<b>Total comprehensive income</b>	<b>18801.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149.17</b>	<b>(18.62)</b>	<b>18931.90</b>
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-
Dividend	(1871.71)	-	-	-	-	-	(1871.71)
Share options exercised	-	167.10	-	-	(80.23)	-	86.87
<b>Balance at 31 March 2021</b>	<b>43519.46</b>	<b>941.86</b>	<b>42100.00</b>	<b>35.00</b>	<b>279.87</b>	<b>23.29</b>	<b>86899.48</b>

As per our Report of even date attached

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

**Vikash Somani**  
Partner  
Membership No.: 061272  
Place: Hyderabad

Date: 14 May 2021

for and on behalf of the Board of Directors of **HIL Limited**  
CIN No.: L74999TG1955PLC000656

**CK Birla**  
Chairman  
DIN: 00118473  
Place: London

**KR Veerappan**  
Chief Financial Officer  
Place: Hyderabad  
Date: 14 May 2021

**Dhirup Roy Choudhary**  
Managing Director and  
Chief Executive Officer  
DIN: 07707322  
Place: Kuala Lumpur

**Mahesh Thakar**  
Company Secretary and  
Head - Legal  
Place: Hyderabad

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 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, Colored 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, Tile Adhesive and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar and Dharuhera. Thermal Insulation business operated under the brand "HYSIL" has been sold under a slump sale arrangement during the year (refer note 33).

Polymer Solutions consists of UpVC, CpVC, SWR Pipes & Fittings and Wall Putty with manufacturing facilities located at Faridabad, Thimmapur, Golan and 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 and 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 14 May 2021.
- 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 basis
- 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
- Leases	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.
- Disposal groups	The assets classified as held for sale have been measured at lower of carrying amounts and fair value less costs to sell.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 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:

- Note 47 – leases: whether an arrangement contains a lease;
- Note 47 – 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 21 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 33 – determining the fair value less costs to sell of the disposal group on the basis of significant observable inputs;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 55 – 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 43 – share based payment arrangements;
- Note 33 – disposal group- assets held for sale;
- Note 55 – 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.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

- 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 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 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.
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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.
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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.
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#### 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. Contract liabilities against payment have been considered as other financial liabilities

### 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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.

### 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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 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.

## f. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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.

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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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 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

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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.

## vi. **Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

## i. **Revenue**

### **Revenue from contract with customers**

The Company generates revenue from sale of goods or services and other operating revenues. 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 being included in retained earnings.

### **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 solutions 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 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.

#### **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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

- (ii) 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.

## 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.

## I. Leases

### i. Leases as lessee

As a lessee, the Company recognises right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet. The Company decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

- a. Fixed payments including in-substance fixed payments
- b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c. Amounts expected to be payable under a residual value guarantee

## *Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Financial liabilities' in the Balance sheet.

## **ii. Leases as lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

## **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



# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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 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 contingent 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 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 amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised 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. Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Company and which represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose off a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss is re-presented as if the operation has discontinued from the start of the comparative period.

The disposal group, assets and liabilities classified as held for sale have been measured at lower of Carrying amounts and fair value less costs to sell.

## w. Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

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**HIL**  
TOGETHER, WE BUILD.

## 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	Right of use assets (refer note (d) below)	Total	Capital work-in-progress	Intangible assets under development
<b>A. Cost or Deemed cost (Gross carrying amount)</b>												
As at 01 April 2019	2508.84	977.90	14627.06	0.63	43739.26	506.02	342.63	196.93	-	62899.27	2931.57	-
Additions	-	-	1369.97	-	4253.22	202.07	180.86	28.04	1870.42	7904.58	5845.49	249.55
Deletions	-	(902.47)	(13.38)	-	(176.47)	(0.46)	(3.50)	(12.58)	-	(1108.86)	-	-
Transfers to Property, plant and equipment / Intangible assets	-	-	-	-	-	-	-	-	-	-	(6034.16)	(249.55)
Reclassification to non-current assets held for sale	-	-	(15.18)	-	-	-	-	-	-	(15.18)	-	-
Reclassification to assets held for sale as part of disposal group	(37.20)	-	(405.09)	-	(2178.71)	(13.22)	(10.15)	(14.15)	(7.04)	(2665.56)	-	-
<b>As at 31 March 2020</b>	<b>2471.64</b>	<b>75.43</b>	<b>15563.38</b>	<b>0.63</b>	<b>45637.30</b>	<b>694.41</b>	<b>509.84</b>	<b>198.24</b>	<b>1863.38</b>	<b>67014.25</b>	<b>2742.90</b>	<b>-</b>
Additions	-	-	1508.02	-	5798.75	57.07	91.77	4.75	5.53	7465.89	5319.30	364.12
Deletions	-	-	(0.16)	-	(109.07)	(15.06)	(12.04)	(0.41)	(247.44)	(384.18)	-	-
Transfers to Property, plant and equipment / Intangible assets	-	-	-	-	-	-	-	-	-	-	(7460.36)	(189.57)
Reclassification from / (to) assets held for sale as part of disposal group	-	-	4.99	-	(9.96)	0.02	(0.73)	0.93	7.04	2.29	-	-
<b>As at 31 March 2021</b>	<b>2471.64</b>	<b>75.43</b>	<b>17076.23</b>	<b>0.63</b>	<b>51317.02</b>	<b>736.44</b>	<b>588.84</b>	<b>203.51</b>	<b>1628.51</b>	<b>74098.25</b>	<b>601.84</b>	<b>174.55</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 4. Property, plant and equipment (Continued)

(₹ 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	Right of use assets (refer note (d) below)	Total	Capital work-in-progress	Intangible assets under development
<b>B. Accumulated depreciation / amortisation</b>												
As at 01 April 2019	-	34.61	1729.49	0.51	9146.56	168.46	191.05	68.94	-	11339.62	-	-
For the year ended 31 March 2020	-	40.82	632.60	-	3618.51	69.48	71.20	26.40	278.15	4737.16	-	-
Deletions	-	-	(3.28)	-	(111.14)	(0.45)	(2.96)	(6.90)	-	(124.73)	-	-
Reclassification to non-current assets held for sale	-	-	(1.82)	-	-	-	-	-	-	(1.82)	-	-
Reclassification to assets held for sale as part of disposal group	-	-	(206.73)	-	(1255.79)	(5.86)	(9.10)	(13.49)	(1.80)	(1492.77)	-	-
<b>As at 31 March 2020</b>	-	<b>75.43</b>	<b>2150.26</b>	<b>0.51</b>	<b>11398.14</b>	<b>231.63</b>	<b>250.19</b>	<b>74.95</b>	<b>276.35</b>	<b>14457.46</b>	-	-
For the year ended 31 March 2021	-	-	623.68	-	3638.97	76.54	77.36	21.00	220.37	4657.92	-	-
Deletions	-	-	(0.05)	-	(85.96)	(8.74)	(10.32)	(0.28)	(91.33)	(196.68)	-	-
Reclassification from / (to) assets held for sale as part of disposal group	-	-	4.10	-	(7.30)	0.02	(0.07)	0.93	1.80	(0.52)	-	-
<b>As at 31 March 2021</b>	-	<b>75.43</b>	<b>2777.99</b>	<b>0.51</b>	<b>14943.85</b>	<b>299.45</b>	<b>317.16</b>	<b>96.60</b>	<b>407.19</b>	<b>18918.18</b>	-	-
<b>C. Net carrying amounts (A-B)</b>												
<b>As at 31 March 2020</b>	<b>2471.64</b>	-	<b>13413.12</b>	<b>0.12</b>	<b>34239.16</b>	<b>462.78</b>	<b>259.65</b>	<b>123.29</b>	<b>1587.03</b>	<b>52556.79</b>	<b>2742.90</b>	-
<b>As at 31 March 2021</b>	<b>2471.64</b>	-	<b>14298.24</b>	<b>0.12</b>	<b>36373.17</b>	<b>436.99</b>	<b>271.68</b>	<b>106.91</b>	<b>1221.32</b>	<b>55180.07</b>	<b>601.84</b>	<b>174.55</b>

### Note:

- 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 2020: ₹ 1.27 lacs) is pending for registration in the Company's name.
- Refer note 49 for details of assets held for Research and Development.
- Refer note 17 for details of assets pledged against borrowings.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 4. Property, plant and equipment (Continued)

d) Right of use assets comprise of the following assets:

(₹ in lacs)

Particulars	Buildings	Land	Vehicles	Total
<b>A. Cost or Deemed cost (Gross carrying amount)</b>				
Balance as at 01 April 2019	-	-	-	-
Additions	555.91	1090.57	223.94	1870.42
Reclassification to assets held for sale as part of disposal group	-	-	(7.04)	(7.04)
<b>As at 31 March 2020</b>	<b>555.91</b>	<b>1090.57</b>	<b>216.90</b>	<b>1863.38</b>
Additions	-	5.53	-	5.53
Deletions	(158.22)	-	(89.22)	(247.44)
Reclassification from assets held for sale as part of disposal group	-	-	7.04	7.04
<b>As at 31 March 2021</b>	<b>397.69</b>	<b>1096.10</b>	<b>134.72</b>	<b>1628.51</b>
<b>B. Accumulated amortisation</b>				
Balance as at 01 April 2019	-	-	-	-
For the year ended 31 March 2020	149.76	50.55	77.84	278.15
Reclassification to assets held for sale as part of disposal group	-	-	(1.80)	(1.80)
<b>As at 31 March 2020</b>	<b>149.76</b>	<b>50.55</b>	<b>76.04</b>	<b>276.35</b>
For the year ended 31 March 2021	121.21	49.31	49.85	220.37
Deletions	(48.89)	-	(42.44)	(91.33)
Reclassification from assets held for sale as part of disposal group	-	-	1.80	1.80
<b>As at 31 March 2021</b>	<b>222.08</b>	<b>99.86</b>	<b>85.25</b>	<b>407.19</b>
<b>C. Net carrying amounts (A-B)</b>				
<b>As at 31 March 2020</b>	<b>406.15</b>	<b>1040.02</b>	<b>140.86</b>	<b>1587.03</b>
<b>As at 31 March 2021</b>	<b>175.61</b>	<b>996.24</b>	<b>49.47</b>	<b>1221.32</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 5 Investment property

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Reconciliation of carrying amount</b>		
<b>Cost or Deemed cost (Gross carrying amount)</b>		
Opening balance	2212.00	2212.00
Additions	-	-
<b>Closing balance</b>	<b>2212.00</b>	<b>2212.00</b>
<b>Accumulated depreciation</b>		
Opening balance	172.06	141.69
Depreciation for the year	30.37	30.37
<b>Closing balance</b>	<b>202.43</b>	<b>172.06</b>
<b>Net carrying amounts</b>	<b>2009.57</b>	<b>2039.94</b>
<b>Fair value</b>	<b>7757.89</b>	<b>7971.00</b>

### Information regarding income and expenditure of investment property:

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rental income derived from investment properties	545.55	578.74
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	545.55	578.74
Less: Depreciation	30.37	30.37
Profit arising from investment properties before indirect expenses	515.18	548.37

## 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 5 Investment property (Continued)

### 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 2020: ₹ 427.60 lacs) in the name of the Company is pending.
- (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 3-5 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 47 for details of minimum lease payments.

## 6 Other intangible assets

(₹ in lacs)

Particulars	Softwares	Service concession arrangements	Total
<b>Reconciliation of carrying amount</b>			
<b>Cost or Deemed cost (Gross carrying amount)</b>			
Balance at 01 April 2019	691.53	1997.94	2689.47
Additions	249.55	-	249.55
Deletions	-	-	-
<b>Balance at 31 March 2020</b>	<b>941.08</b>	<b>1997.94</b>	<b>2939.02</b>
Additions	189.57	-	189.57
Deletions	(1.17)	-	(1.17)
<b>Balance at 31 March 2021</b>	<b>1129.48</b>	<b>1997.94</b>	<b>3127.42</b>
<b>Accumulated amortisation</b>			
Balance at 01 April 2019	411.86	288.95	700.81
Amortisation for the year	142.24	87.64	229.88
Deletions	-	-	-
<b>Balance at 31 March 2020</b>	<b>554.10</b>	<b>376.59</b>	<b>930.69</b>
Amortisation for the year	142.00	87.64	229.64
Deletions	(1.17)	-	(1.17)
<b>Balance at 31 March 2021</b>	<b>694.93</b>	<b>464.23</b>	<b>1159.16</b>
<b>Net carrying amounts</b>			
<b>As at 31 March 2020</b>	<b>386.98</b>	<b>1621.35</b>	<b>2008.33</b>
<b>As at 31 March 2021</b>	<b>434.55</b>	<b>1533.71</b>	<b>1968.26</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 7 Investments

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<b>Interest in subsidiary</b>		
<b>Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment</b>		
HIL International GmbH, Germany : 34025000 equity shares of Euro 1 each fully paid (31 March 2020 : 34025000 equity shares of Euro 1 each fully paid)	27346.24	27346.24
	<b>27346.24</b>	<b>27346.24</b>
Refer note 46(a) for details of subsidiary.		
<b>Interest in joint venture</b>		
<b>Investment in equity instruments - unquoted - at cost less provision for other than temporary impairment</b>		
Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid (31 March 2020 : 4125000 equity shares of Naira 1 each fully paid)	142.60	142.60
Less: Provision for investment in joint venture	(142.60)	(142.60)
	<b>-</b>	<b>-</b>
Refer note 46(b) for details of joint venture.		
<b>Investment in equity instruments - unquoted at FVOCI (refer note (a) below)</b>		
Birla Buildings Limited - 5000 equity shares of ₹ 10 each fully paid (31 March 2020 : 5000 equity shares of ₹ 10 each fully paid)	31.65	55.80
	<b>31.65</b>	<b>55.80</b>
	<b>27377.89</b>	<b>27402.04</b>
Aggregate amount of unquoted non-current investments	27520.49	27544.64
Aggregate amount of provision for impairment in value of non-current investments	142.60	142.60
<b>Current</b>		
<b>Investments in mutual funds - quoted at FVTPL</b>	3002.72	1600.03
	<b>3002.72</b>	<b>1600.03</b>
Aggregate book value of quoted current investments	3002.72	1600.03
Aggregate market value of quoted current investments	3002.72	1600.03

### (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.

Particulars	(₹ in lacs)	
	Investment in Birla Buildings Limited	
	As at 31 March 2021	As at 31 March 2020
Fair value at beginning of the year	55.80	46.40
Dividend income recognised during the respective year	0.25	0.38
Fair value at end of the year	31.65	55.80

No strategic investments were disposed off during the year 2020-21 and 2019-20, and there were no transfers of any cumulative gain or loss within equity relating to these investments.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 8 Trade receivables

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Secured	4.36	4.36
Unsecured	504.98	448.15
	<b>509.34</b>	<b>452.51</b>
Less: Provision for impairment	(504.98)	(448.15)
	<b>4.36</b>	<b>4.36</b>
<b>Current</b>		
Secured	1311.37	1588.17
Unsecured (refer note 40 for receivables from related parties)	7590.07	8927.04
	<b>8901.44</b>	<b>10515.21</b>
Less: Provision for impairment	(984.14)	(1070.54)
	<b>7917.30</b>	<b>9444.67</b>

Refer note 17 for details of trade receivables pledged against borrowings.

## 9 Loans

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Security deposits</b>		
Unsecured, considered good	1066.38	1005.16
Doubtful	25.00	25.00
	<b>1091.38</b>	<b>1030.16</b>
Less: Provision for impairment	(25.00)	(25.00)
	<b>1066.38</b>	<b>1005.16</b>
<b>Loan to subsidiary</b>		
Unsecured (refer note 51)	8144.24	12432.71
	<b>9210.62</b>	<b>13437.87</b>

## 10 Other financial assets

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Bank deposits due to mature after 12 months from the reporting date *	54.87	180.41
Derivative assets	870.17	1137.26
	<b>925.04</b>	<b>1317.67</b>
<b>Doubtful</b>		
Other receivables	644.68	644.68
	<b>644.68</b>	<b>644.68</b>
Less: Allowance for doubtful receivables	(644.68)	(644.68)
	-	-
	<b>925.04</b>	<b>1317.67</b>

\* It includes bank deposits held against bank guarantees amounting to ₹ 54.87 lacs (31 March 2020: ₹ 180.41 lacs).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 10 Other financial assets (Continued)

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
<b>Unsecured, considered good</b>		
Interest accrued on fixed deposits and security deposits	101.34	98.82
Interest accrued on loan to subsidiary	180.38	969.64
Derivative assets	12.28	203.44
Contract assets	17.38	19.04
Other receivables	3.51	4.15
	<b>314.89</b>	<b>1295.09</b>
<b>Doubtful</b>		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivable (refer note 40)	(9.01)	(9.01)
	-	-
	<b>314.89</b>	<b>1295.09</b>

## 11 Other assets

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	137.15	524.51
Advances other than capital advances		
Balance with government authorities	649.51	705.04
Prepayments	14.81	27.54
	<b>801.47</b>	<b>1257.09</b>
<b>Doubtful</b>		
Advances other than capital advances		
Advance to suppliers	164.83	317.72
	<b>164.83</b>	<b>317.72</b>
Less: Allowance for doubtful advances	(164.83)	(317.72)
	-	-
	<b>801.47</b>	<b>1257.09</b>
<b>Current</b>		
Advances other than capital advances		
Advance to suppliers	2542.35	780.46
Advance to employees	82.65	39.30
Balance with government authorities	2710.92	4103.08
Prepayments	386.86	298.12
Others		
Non-current assets held for sale*	23.66	23.66
	<b>5746.44</b>	<b>5244.62</b>

\* Management intended to sell plant and machinery of one of the manufacturing facilities within the Roofing Solution segment in earlier year. Although efforts to sell are in progress, management is also exploring the alternate use of these items in some of its other plants and basis the outcome of this exercise, final disposal plan will be initiated. In the earlier year, certain non-factory building which is no longer required for the business was planned for disposal, efforts to sell the asset have started and sale is expected by next Financial Year.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 12 Inventories

(Valued at lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	7417.04	14796.70
Work-in-progress	207.02	438.06
Finished goods	11053.78	10901.73
Stock-in-trade	360.06	424.30
Stores and spares	967.87	932.01
	<b>20005.77</b>	<b>27492.80</b>
<b>Inventories in transit</b>		
Raw materials	1260.29	753.66
Finished goods	31.67	-
Stock-in-trade	21.61	97.78
Stores and spares	-	7.89
	<b>1313.57</b>	<b>859.33</b>
	<b>21319.34</b>	<b>28352.13</b>

The write down of inventories to net realisable value during the year amounted to ₹ 358.69 lacs (31 March 2020: ₹ 268.38 lacs). The write down are included in changes in inventories of finished goods.

## 13 Cash and cash equivalents

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	1.98	2.92
Balances with banks		
- in current accounts	1162.21	694.59
Cheques, drafts on hand	-	0.10
	<b>1164.19</b>	<b>697.61</b>

## 14 Other bank balances

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unpaid dividend accounts	79.12	81.72
Deposits with remaining maturity of less than 12 months *	244.16	207.77
	<b>323.28</b>	<b>289.49</b>

\* It includes bank deposits held against bank guarantees amounting to ₹ 93.15 lacs (31 March 2020: ₹ 207.77 lacs).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 15 Share capital

(₹ in lacs)

Particulars	As at	
	31 March 2021	31 March 2020
<b>Authorised share capital</b>		
9500000 (31 March 2020: 9500000) equity shares of ₹ 10 each	950.00	950.00
50000 (31 March 2020: 50000) preference shares of ₹ 100 each	50.00	50.00
	<b>1000.00</b>	<b>1000.00</b>
<b>Issued, subscribed and fully paid-up capital</b>		
7492543 (31 March 2020: 7478303) equity shares of ₹ 10 each fully paid-up	749.25	747.83
Forfeited shares (amount originally paid-up)	2.72	2.72
	<b>751.97</b>	<b>750.55</b>

### (i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount ₹ In Lacs	Number of shares	Amount ₹ In Lacs
Shares outstanding at the beginning of the year	7478303	747.83	7471343	747.13
Shares issued on exercise of Employee Stock Option Scheme (refer note 43)	14240	1.42	6960	0.70
<b>Shares outstanding at the end of the year</b>	<b>7492543</b>	<b>749.25</b>	<b>7478303</b>	<b>747.83</b>

### (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.

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	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	1074634	14.34	1074634	14.37
Orient Paper and Industries Limited	906360	12.10	906360	12.12

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 Schemes of the Company, refer note 43.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 16 Other equity

### (A) Reserves and surplus

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(i) Securities premium</b>		
Balance at the commencement of the year	774.76	708.52
Add: Additions during the year	167.10	66.24
	<b>941.86</b>	<b>774.76</b>

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 2021	As at 31 March 2020
<b>(ii) General reserve</b>		
Balance at the commencement of the year	41100.00	40100.00
Add: Amount transferred from surplus balance in the standalone statement of profit and loss	1000.00	1000.00
	<b>42100.00</b>	<b>41100.00</b>

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.

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(iii) Capital redemption reserve</b>		
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	<b>35.00</b>	<b>35.00</b>

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 2021	As at 31 March 2020
<b>(iv) Share options outstanding account</b>		
Balance at the commencement of the year	210.93	116.66
Less: Shares exercised during the period	(80.23)	(23.78)
Add: Share based payment expenses (refer note 28)	149.17	118.05
	<b>279.87</b>	<b>210.93</b>

The Company has formulated equity-settled share-based payment plans for certain categories of employees of the Company. Refer note 43 for further details on these plans.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 16 Other equity (Continued)

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
<b>(v) Retained earnings</b>		
Balance at the commencement of the year	27589.82	22941.62
Add: Profit for the year	18774.76	7671.70
<i>Items of other comprehensive income directly recognised in retained earnings</i>		
– Remeasurement of post employment benefit obligations, net of tax	26.59	3.94
<b>Amount available for appropriations</b>	<b>46391.17</b>	<b>30617.26</b>
Less : Appropriations		
Interim dividend on equity shares (amount per share ₹ 15.00 (31 March 2020: ₹ 10.00))	(1123.88)	(747.83)
Transferred to general reserve	(1000.00)	(1000.00)
Final dividend on equity shares (amount per share ₹ 10.00 (31 March 2020: ₹ 12.50))	(747.83)	(933.92)
Corporate dividend tax on equity shares	–	(345.69)
<b>Total appropriations</b>	<b>(2871.71)</b>	<b>(3027.44)</b>
	<b>43519.46</b>	<b>27589.82</b>
<b>Total reserves and surplus (A)</b>	<b>86876.19</b>	<b>69710.51</b>

## (B) Other comprehensive income (“OCI”)

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
<b>Equity investments through OCI</b>		
Balance at the commencement of the year	41.91	34.66
Changes in fair value	(18.62)	7.25
	<b>23.29</b>	<b>41.91</b>
<b>Total (A+B)</b>	<b>86899.48</b>	<b>69752.42</b>

## Dividends

After the reporting dates, the following dividends on equity shares were proposed by the Board of Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as liabilities.

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
Dividend on equity shares (amount per equity share ₹ 25.00 (31 March 2020: ₹ 10.00))*	1873.14	747.83

\* With the abolition of dividend distribution tax in the union budget announced by Honourable Finance Minister on 01 February 2020, effective 01 April 2020, dividends will be taxable in the hands of recipient and hence, provision for Dividend Distribution Tax does not arise.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 17 Borrowings

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current borrowings</b>		
<b>Secured</b>		
Term loan from banks (refer note (a) below)	2925.00	14628.12
Term loan from others		
- Interest free sales tax loan from a financial institution (refer note (b) below)	3889.41	4915.97
<b>Unsecured</b>		
Deferred payment liabilities		
- Deferred sales tax loan (refer note (c) below)	137.24	225.32
	<b>6951.65</b>	<b>19769.41</b>
<b>Current borrowings</b>		
<b>Unsecured</b>		
Loans repayable on demand		
From banks		
- Working capital loan (refer note (d) below)	5500.00	15500.00
Other loans		
From banks		
- Buyers' credit (refer note (e) below)	-	855.17
	<b>5500.00</b>	<b>16355.17</b>

- (a) (1) The Company has availed two term loans of ₹ 27600.00 lacs from Kotak Mahindra Bank during 2018-19 which are secured by way of exclusive equitable mortgage of land and buildings situated at Faridabad, Sanathnagar and Chennai locations of the Company. During the current year, the Company has repaid the entire loan. The said loan carried an interest rate in the range of 7.00% p.a. to 8.10% p.a. during the year (31 March 2020: 8.20% p.a. to 8.55% p.a.).
- (2) During the previous year, the Company availed a term loan of ₹ 3000.00 lacs from Kotak Mahindra Bank secured by way of exclusive charge on moveable assets identified. The outstanding of ₹ 2000.00 lacs was completely repaid in the current year. The said loans carried an interest of 7.05% p.a. to 8.00% p.a. during the year (31 March 2020: 7.75% p.a.).
- (3) During the previous year, the Company availed a term loan of ₹ 4000.00 lacs from Hong kong and Shanghai Banking Corporation Limited secured by way of exclusive charge on moveable assets identified. The outstanding of ₹ 3800.00 lacs was completely repaid during the year. The said loan carried an interest of 7.50% p.a. during the year (31 March 2020: 7.50% p.a.).
- (4) During the year, the Company availed a term loan of ₹ 4500.00 lacs from Hong kong and Shanghai Banking Corporation Limited secured by way of exclusive charge on moveable assets identified. The outstanding of ₹ 3825.00 lacs is repayable over 17 instalments of ₹ 225.00 lacs each from April 2021 to April 2025. The said loan carried an interest rate in the range of 6.00% p.a. to 8.25% p.a. during the year.
- (b) Represents interest free sales tax loan taken from a financial institution, 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 unit. The loan is interest free and repayable on yearly basis having last instalment due in Financial Year 2023-24.
- (d) The Company availed working capital loan from four banks. These loans are repayable on demand and carried an interest rate as linked to Repo Rate + spread which has been in the range of 4.00% p.a. to 9.00% p.a. during the year (31 March 2020: 6.05% p.a. to 8.30% p.a.).
- (e) Buyers' credit loans repayable at maturity, carried interest rate linked to LIBOR of respective currency and effective rates were in the range of 1.11% p.a. to 1.34% p.a. during the year (31 March 2020: 2.36% p.a. to 2.50% p.a.).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 18 Lease liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Lease liabilities	270.16	492.79
	<b>270.16</b>	<b>492.79</b>
<b>Current</b>		
Lease liabilities	112.89	241.65
	<b>112.89</b>	<b>241.65</b>

## 19 Trade payables

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	980.30	628.64
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties)	16224.78	20888.68
	<b>17205.08</b>	<b>21517.32</b>

## 20 Other financial liabilities

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Derivative liabilities	-	125.08
	-	<b>125.08</b>
<b>Current</b>		
Current maturities of long-term debt (refer note 17 above)	2095.60	6778.06
Interest accrued but not due on borrowings	4.57	125.85
Capital creditors	359.18	373.82
Unpaid dividend*	79.12	81.72
Sundry deposits	4304.67	4586.66
Derivative liabilities	29.10	2.48
Contract liability against performance obligation	1492.39	1416.14
Contract liability against payment	2795.92	1022.72
Other financial liabilities	1567.71	927.67
	<b>12728.26</b>	<b>15315.12</b>

\* Amount lying in unpaid / unclaimed dividend account shall be credited to Investor Education and Protection Fund as per the timelines prescribed under the Companies Act, 2013 with due approvals.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 21 Provisions

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Provision for employee benefits		
– Gratuity (refer note 36)	149.72	240.35
– Other long-term employee benefit plans	655.14	231.07
– Compensated absences	682.65	627.60
	<b>1487.51</b>	<b>1099.02</b>
<b>Current</b>		
Provision for employee benefits		
– Superannuation fund	–	27.32
– Compensated absences	59.46	28.05
– Employee related other costs (refer note 42)	54.68	–
Other provisions		
– Provision for litigations (refer note 42)	348.58	357.95
– Provision- others (refer note 42)	410.01	450.69
	<b>872.73</b>	<b>864.01</b>

## 22 Other liabilities

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Government grant	197.27	281.82
	<b>197.27</b>	<b>281.82</b>
<b>Current</b>		
Statutory liabilities	1003.77	545.27
Government grant	84.55	84.55
Other liabilities	2050.70	2018.14
	<b>3139.02</b>	<b>2647.96</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 23 Revenue from operations

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Finished goods	149445.85	121491.95
Traded goods	6723.71	9421.00
Sale of services		
Service concession arrangements	171.06	229.57
Other operating revenues		
Scrap sales	220.35	339.45
Liabilities no longer required, written back	27.87	597.88
	<b>156588.84</b>	<b>132079.85</b>
Refer note 35 for segment wise details.		
<b>Reconciliation of revenue from sale of products with the contract prices</b>		
Contracted price	161484.71	134736.33
Less: Discounts	5315.15	3823.38
	<b>156169.56</b>	<b>130912.95</b>

## 24 Other income

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend income on equity securities - at FVOCI- investment held at reporting date	0.25	0.38
Gain on sale of current investments, net	8.39	40.56
Interest income under the effective interest method on financial assets	191.87	101.90
Interest income from loan to subsidiary	851.37	1215.87
Interest on income-tax refund	133.35	-
Rental income		
From investment property	545.55	578.74
From others	13.48	16.31
Net gain on sale of property, plant and equipment	-	537.55
Net gain on foreign currency transactions	681.87	537.65
Fair value gain on financial assets measured at fair value through profit and loss, net	2.87	491.11
Government grants	84.55	84.55
Miscellaneous income	93.17	50.03
	<b>2606.72</b>	<b>3654.65</b>

## 25 Cost of raw materials consumed

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory of materials at the beginning of the year	15550.36	9218.75
Add: Purchases during the year	71491.12	68347.20
Less: Inventory of materials at the end of the year	8677.33	15550.36
	<b>78364.15</b>	<b>62015.59</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 26 Purchases of stock-in-trade

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases of stock-in-trade	4616.13	5573.53
	<b>4616.13</b>	<b>5573.53</b>

## 27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year		
Finished goods	10901.74	11148.56
Stock-in-trade	522.08	235.75
Work-in-progress	438.06	264.03
	<b>11861.88</b>	<b>11648.34</b>
Inventories at the end of the year		
Finished goods	11085.45	10901.74
Stock-in-trade	381.67	522.08
Work-in-progress	207.02	438.06
	<b>11674.14</b>	<b>11861.88</b>
Changes in inventories	187.74	(213.54)
Add: Stocks of finished goods out of trial run production	18.90	-
	<b>206.64</b>	<b>(213.54)</b>

## 28 Employee benefits expense

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	11723.06	11187.42
Contribution to provident and other fund (refer note 36)	617.03	645.01
Employee share based payment expense - equity settled (refer note 43)	149.17	118.05
Gratuity expenses (refer note 36)	223.40	209.48
Staff welfare expenses	588.74	940.62
	<b>13301.40</b>	<b>13100.58</b>

## 29 Finance costs

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses on long-term loans measured at amortised cost	1050.83	2122.24
Interest expenses on working capital loans measured at amortised cost	431.10	641.57
Interest expenses on other financial liabilities measured at amortised cost	80.97	74.61
Interest expenses on lease liabilities	44.74	72.60
Interest expenses on others	261.10	205.04
	<b>1868.74</b>	<b>3116.06</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 30 Depreciation and amortisation expenses

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 4)	4437.04	4379.32
Amortisation of intangible assets (refer note 6)	229.64	229.88
Depreciation on investment property (refer note 5)	30.37	30.37
Depreciation-right of use assets (refer note 4)	219.92	276.35
	<b>4916.97</b>	<b>4915.92</b>

## 31 Other expenses

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	2844.93	3066.45
Power and fuel	5120.56	4976.06
Contract wages	4246.55	4265.02
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	668.22	785.58
Buildings	170.62	254.85
Others	727.30	813.75
Carriage outwards	14526.52	13240.42
Packing expenses	588.43	564.01
Rent	220.97	208.59
Rates and taxes	369.31	439.31
Insurance	156.73	84.40
Professional, consultancy and legal expenses (refer note (i) below)	1550.41	1763.94
Advertisement and sales promotion	2618.97	3410.48
Travelling and conveyance	736.44	2168.70
Commission on sales	299.32	210.72
Directors' commission	120.00	85.00
Directors' fee	59.75	59.50
Donations (refer note (ii) below)	100.21	304.75
Net loss on sale of property, plant and equipment	22.73	-
Provision for impairment of receivables, advances and other assets, net	(194.19)	176.18
Bad debt written off	149.95	119.98
Fair value loss on financial assets measured at fair value through profit and loss	158.83	-
Expenditure on corporate social responsibility (refer note 32)	308.49	223.35
Miscellaneous	1189.12	1411.55
	<b>36760.17</b>	<b>38632.59</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 31 Other expenses (Continued)

Note:

- (i) Payment to auditors (included in professional, consultancy and legal expenses) (exclusive of taxes)

Particulars	(₹ in lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>As auditor</b>		
Statutory audit fee	48.00	48.00
Tax audit fee	6.00	5.50
Limited review of quarterly results	27.00	22.50
Consolidation	12.00	12.00
<b>For other services</b>		
For certification and income-tax matters	17.00	10.75
<b>For reimbursement of expenses</b>	5.09	8.38
	<b>115.09</b>	<b>107.13</b>

- (ii) Donations include ₹ NIL (31 March 2020: ₹ 300.25 lacs) contribution made to Electoral Trust.

## 32 Details of corporate social responsibility expenditure

Particulars	(₹ in lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year	235.98	223.83
b) Amount spent during the year (in cash) :		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	308.49	226.01

## 33 Discontinued operations

Refer accounting policy in note 3(v)

The Board of Directors at their meeting held on 16 January 2020 approved the sale and transfer of the Company's calcium silicate insulation products division operated under the brand "HYSIL" to Calderys India Refractories Limited through a slump sale arrangement on a going concern basis, subject to completion of certain conditions precedent set out in the Business Transfer Agreement ("BTA"). Accordingly, the sale and transfer of business was completed on July 10, 2020 with a purchase consideration of ₹ 7764 lacs as per the terms of BTA.

This division was classified as discontinuing operations in the earlier year. The statement of profit and loss has been represented to show the discontinued operations separately from continuing operations.

### A. Results of discontinued operations

Particulars	Note	(₹ in lacs)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Total Income		449.44	3925.92
Expenses		371.63	3058.50
<b>Results from operating activities</b>		<b>77.81</b>	<b>867.42</b>
Income-tax	34	19.83	169.49
<b>Results from operating activities, net of tax</b>		<b>57.98</b>	<b>697.93</b>
Profit on sale of discontinued operations		6056.14	-
Income-tax on gain on sale of discontinued operations		1563.86	-
<b>Profit from discontinued operations</b>		<b>4550.26</b>	<b>697.93</b>

The profit from discontinued operations of ₹ 4550.26 lacs (31 March 2020: ₹ 697.93 lacs) and the profit from continuing operations of ₹ 14224.50 lacs (31 March 2020: ₹ 6973.77 lacs) is attributable entirely to the owners of the Company.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 33 Discontinued operations (Continued)

### B. Cash flows from / (used in) discontinued operations

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net cash from operating activities	110.98	1012.75
Net cash from investing activities	7766.47	10.11
Net cash used in financing activities	-	(1022.86)
<b>Net cash flows for the year</b>	<b>7877.45</b>	<b>-</b>

### C. Effect of disposal on the financial position of the Company

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>I ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	1169.98	1172.78
(b) Financial assets		
(i) Loans	6.00	37.13
<b>Current assets</b>		
(a) Inventories	200.51	237.29
(b) Financial assets		
(i) Trade receivables	276.36	358.22
(ii) Other financial assets	2.06	1.98
(c) Other current assets	-	59.49
<b>TOTAL ASSETS</b>	<b>1654.91</b>	<b>1866.89</b>
<b>II LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	-	(3.73)
(b) Provisions	(110.52)	(7.17)
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	-	(1.73)
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	(5.53)	(6.89)
Total outstanding dues of creditors other than micro enterprises and small enterprises	(149.93)	(305.72)
(iii) Other financial liabilities	(13.96)	(83.89)
(b) Other current liabilities	-	(44.50)
(c) Provisions	(21.34)	(24.32)
<b>TOTAL LIABILITIES</b>	<b>(301.28)</b>	<b>(477.95)</b>
<b>III ASSETS NET OF LIABILITIES</b>	<b>1353.63</b>	<b>1388.95</b>
Consideration received, satisfied in cash	7763.64	-
Cash and cash equivalents disposed of	-	-
Expenses directly related to the sale of discontinued operations	(353.87)	-
<b>IV NET CASH INFLOWS</b>	<b>6056.14</b>	<b>-</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 34 Income-tax

### (A) Amount recognised in standalone statement of profit and loss - Continuing operations

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	4893.04	2627.16
Income-tax for earlier years	52.53	(58.38)
Deferred tax attributable to temporary differences	(8.71)	(948.78)
<b>Tax expenses</b>	<b>4936.86</b>	<b>1620.00</b>

### Amount recognised in standalone statement of profit and loss - Discontinued operations

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Tax expense	1583.69	169.49
	<b>1583.69</b>	<b>169.49</b>

This has been included in determination of profit from discontinued operation net of tax (refer note 33).

### (B) Amount recognised in other comprehensive income ("OCI")

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax related to items recognised in OCI		
Deferred tax expense on remeasurements of defined benefit plans	(8.94)	(1.32)
Deferred tax income / (expense) on fair value gain on investments in equity instruments through OCI	5.53	(2.15)
<b>Deferred tax expense recognised in OCI</b>	<b>(3.41)</b>	<b>(3.47)</b>

### (C) Reconciliation of effective tax rate

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	25295.31	9461.19
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	6366.32	2381.19
Tax effect of:		
Non-deductible tax expenses	252.01	574.09
Tax exempt income	-	(0.09)
Rate difference	(154.60)	(11.91)
Tax incentives	7.70	55.56
Change in estimate relating to earlier	-	(1150.77)
Others	-	(0.20)
	<b>6471.43</b>	<b>1847.86</b>
Adjustments in respect of income-tax for earlier years	52.53	(58.38)
<b>Income-tax recognised in the standalone statement of profit and loss</b>	<b>6523.96</b>	<b>1789.48</b>

During the quarter ended 30 September 2019, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income-tax for the year ended 31 March 2020 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said Section. The impact of this change has been recognised in the statement of profit and loss over the period from 01 July 2019 to 31 March 2020.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 34 Income-tax (Continued)

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
<b>Deferred tax liabilities</b>		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in books of account	5601.94	5848.76
Fair value gain on derivatives	181.73	181.73
Others	17.90	22.33
<b>Total deferred tax liabilities (A)</b>	<b>5801.57</b>	<b>6052.82</b>
<b>Deferred tax assets</b>		
Allowable for tax purposes on payment basis	1157.48	1258.80
Provision for doubtful trade receivables	623.02	671.94
Voluntary early retirement scheme	-	34.64
Others	168.80	229.88
<b>Total deferred tax assets (B)</b>	<b>1949.30</b>	<b>2195.26</b>
<b>Net deferred tax liability (A-B)</b>	<b>3852.27</b>	<b>3857.56</b>

(E) Movement in temporary differences:

Particulars	(₹ in lacs)						
	Balance as at 01 April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Balance as at 31 March 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Balance as at 31 March 2021
<b>Deferred tax liabilities</b>							
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	7556.34	(1707.58)	-	5848.76	(246.82)	-	5601.94
Fair valuation gain in derivatives	226.59	(44.86)	-	181.73	-	-	181.73
Other items	20.68	(0.50)	2.15	22.33	1.10	(5.53)	17.90
<b>Total deferred tax liabilities (A)</b>	<b>7803.61</b>	<b>(1752.94)</b>	<b>2.15</b>	<b>6052.82</b>	<b>(245.72)</b>	<b>(5.53)</b>	<b>5801.57</b>
<b>Deferred tax assets</b>							
Allowable for tax purposes on payment basis	2035.29	(775.17)	(1.32)	1258.80	(101.32)	-	1157.48
Provision for doubtful trade receivables	805.21	(133.27)	-	671.94	(48.92)	-	623.02
Voluntary early retirement scheme	115.43	(80.79)	-	34.64	(34.64)	-	-
Other items	44.81	185.07	-	229.88	(52.14)	(8.94)	168.80
<b>Total deferred tax assets (B)</b>	<b>3000.74</b>	<b>(804.16)</b>	<b>(1.32)</b>	<b>2195.26</b>	<b>(237.02)</b>	<b>(8.94)</b>	<b>1949.30</b>
<b>Net deferred tax (asset) / liability (A-B)</b>	<b>4802.87</b>	<b>(948.78)</b>	<b>3.47</b>	<b>3857.56</b>	<b>(8.71)</b>	<b>3.41</b>	<b>3852.27</b>

## 35 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 these standalone financial statements.



# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 36 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.

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
Contribution to provident fund	582.85	608.59
Contribution to employees state insurance schemes	15.48	25.42
Contribution to superannuation fund	23.99	30.88
	<b>622.32</b>	<b>664.89</b>

\*Including expense related to discontinued operations.

### (b) Defined benefit plan

In accordance with the 'The Payment of Gratuity Act, 1972', 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 liquidity risk, interest rate risk, investment risk, etc.

**Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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 2021 (31 March 2020: 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:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	1965.01	1600.69
Current service cost	212.34	206.15
Interest cost	126.05	123.52
Re-measurement (or actuarial) (gain) / loss arising from:		
– change in demographic assumptions	–	0.39
– change in financial assumptions	37.43	92.33
– experience variance (i.e. actual experience vs assumptions)	(74.07)	33.43
Benefits paid	(135.02)	(91.50)
Employees transferred through slump sale (refer note 33)	(110.52)	–
<b>Balance at the end of the year</b>	<b>2021.22</b>	<b>1965.01</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 36 Employee benefits (Continued)

	(₹ in lacs)	
Particulars	31 March 2021	31 March 2020
<i>Reconciliation of the present value of plan assets</i>		
Balance at the beginning of the year	1717.48	1436.18
Interest income	114.99	110.82
Contributions paid into the plan	48.31	43.05
Benefits paid	(8.16)	(3.98)
Return on plan assets, excluding amount recognised in net interest expense	(1.12)	131.41
<b>Balance at the end of the year</b>	<b>1871.50</b>	<b>1717.48</b>
<b>Net defined benefit liability recognised in standalone balance sheet*</b>	<b>149.72</b>	<b>247.53</b>
* Including liabilities directly associated with Disposal group (refer note 33).		
<i>Expense recognised in standalone statement of profit and loss*</i>		
Current service cost	212.34	206.15
Net Interest cost on the net defined benefit liability	11.06	12.69
	<b>223.40</b>	<b>218.84</b>
*Including expense related to discontinued operations.		
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(36.65)	126.15
Return on plan assets, excluding amount recognised in net interest expense	1.12	(131.41)
	<b>(35.53)</b>	<b>(5.26)</b>

### Plan assets

Plan assets comprises of the following:

Particulars	31 March 2021	31 March 2020
Fund managed by LIC	100%	100%

### ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2021	31 March 2020
Discount rate	6.70%	6.70%
Future salary growth	8.00%	6.00 to 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 36 Employee benefits (Continued)

### 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)

Equity shares	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	1863.13	2204.09	1811.41	2142.45
Effect of 1% change in the assumed salary growth rate	2199.94	1863.54	2139.08	1811.24
Effect of 0.5% change in the assumed attrition rate	1982.75	2071.03	1926.86	2014.18

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 ₹ 378.27 lacs to the plan for the next annual reporting period (31 March 2020: ₹ 483.98 lacs).

### Maturity profile of the defined benefit obligation

Expected cash flows

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
Within 1 year	215.54	189.21
2 to 5 years	786.44	800.92
6 to 10 years	849.81	862.38
More than 10 years	2216.53	2094.46

As at 31 March 2021, the weighted average duration of the defined benefit obligation was 8 years (31 March 2020: 8 years).

### (c) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## 37 Earnings per share ("EPS")

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
(a) Net profit attributable to the equity shareholders - Continuing operations	14224.50	6973.77
(b) Net profit attributable to the equity shareholders - Discontinued operations	4550.26	697.93
(c) Weighted average number of equity shares outstanding during the year	7487939	7475622
(d) Effect of potential equity shares on employee stock options outstanding	25193	15456
(e) Weighted average number of equity shares outstanding for computing diluted earnings per share [(c) + (d)]	7513132	7491078
(f) Nominal value of equity shares (in ₹)	10.00	10.00
<b>Continuing Operations</b>		
(g) Basic earnings per share (in ₹) [(a)/(c)]	189.97	93.29
(h) Diluted earnings per share (in ₹) [(a)/(e)]	189.33	93.09
<b>Discontinued Operations</b>		
(i) Basic earnings per share (in ₹) [(b)/(c)]	60.77	9.34
(j) Diluted earnings per share (in ₹) [(b)/(e)]	60.56	9.32
<b>Continuing and Discontinued Operations</b>		
(k) Basic earnings per share (in ₹) [(a+b)/(c)]	250.74	102.62
(l) Diluted earnings per share (in ₹) [(a+b)/(e)]	249.89	102.41

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 38 Capital commitments

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	631.08	1920.95

## 39 A. Contingent liabilities (not provided for) in respect of:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
(a) Demand raised by the Income-tax authorities, being disputed by the Company*	803.61	803.58
(b) Demands raised by sales tax authorities, being disputed by the Company**	2258.15	2083.98
(c) Demands (including penalties) raised by excise authorities, being disputed by the Company***	731.58	874.60
(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	1467.69	1469.42
(f) Demand for property tax, being disputed by the Company	252.15	252.15
(g) Other claims against the Company not acknowledged as debts ****	286.64	286.64

(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. The National Green Tribunal ("NGT"), New Delhi, disposed off the above case in the previous year, directing that the restoration of mine to be carried out by State of Jharkhand; and filing of claims by the victims before the District Judge, Chaibasa for adjudication. Aggrieved by some of the findings in the aforesaid Orders and subsequent Orders passed by NGT, the Company filed a Civil Appeal before the Honourable Supreme Court of India. The Honourable Supreme Court of India directed to issue notice to the other parties and maintain Status Quo in the meantime. During the current year, the District Mining Officer, Chaibasa, has sought payment of environment compensation of ₹ 1344 lacs from the Company which is in wilful disobedience of the aforesaid order passed by the Honourable Supreme Court. The Company has responded accordingly. In view of the aforesaid Status Quo Order, the further proceedings before NGT are being adjourned from time to time during the year. Management believes that the final outcome of the above matter is not expected to be material on the financial statements.

\* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. 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.

\*\* 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.

**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 during the earlier year. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 40 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 2021	31 March 2020
Supercor Industries Limited	Joint venture	Nigeria	33%	33%
HIL International GmbH (refer note 46(a))	Wholly owned subsidiary	Germany	100%	100%
Parador Holding GmbH (refer note 46(a))	Step-down subsidiary	Germany	100%	100%
Parador GmbH	Step-down subsidiary	Germany	100%	100%
Parador Parkettwerke GmbH	Step-down subsidiary	Austria	100%	100%
Parador (Shanghai) Trading Co., Ltd.	Joint venture	China	50%	50%

Name of the related party	Nature of relationship
<b>Key Management personnel</b>	
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 (resigned w.e.f. 13 August 2020)
Mr. Ashish Malhotra	Company Secretary and Head - Legal (joined on 14 August 2020, resigned w.e.f. 30 September 2020)
Mr. Mahesh Thakar	Company Secretary and Head - Legal (joined on 02 February 2021)
<b>Non-Executive Directors and Independent Directors</b>	
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
Dr. Arvind Sahay	Independent Director

### List of other related parties with whom there are transactions

Birla Buildings Limited
CK Birla Corporate Services Limited
GMMCO Limited
National Engineering Industries Limited
Orient Cement Limited
Orient Electric Limited
Orient Paper and Industries Limited

### B. Transactions with related parties

Related party	Nature of transactions	(₹ in lacs)	
		31 March 2021	31 March 2020
Non-Executive Directors and Independent Directors	Sitting fees and commission	179.75	144.50
Managing Director and Chief Executive Officer	Managerial remuneration*	399.87	405.04
	Share based payment	110.10	90.03
Chief Financial Officer	Managerial remuneration*	197.91	193.83
	Share based payment	21.91	12.40
Company Secretary	Managerial remuneration*	71.77	61.16
Parador GmbH, Germany	Purchase of goods	150.60	489.43
	Reimbursement of expenses	19.46	15.88

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 40 Related parties (Continued)

		(₹ in lacs)	
Related party	Nature of transactions	31 March 2021	31 March 2020
HIL International GmbH, Germany	Repayment of loan given	4660.27	3857.63
	Interest income on loan	851.37	1215.87
	Interest received on loan	1687.77	798.63
GMMCO Limited	Purchase of goods	244.46	21.73
	Purchase of services	17.38	-
Orient Electric Limited	Purchase of goods	-	18.95
	Sales of finished goods	-	4.49
National Engineering Industries Limited	Rent paid	93.87	63.15
	Reimbursements	2.63	17.26
	Sales of finished goods	-	4.89
Birla Buildings Limited	Rent paid	29.68	25.68
	Reimbursements	10.03	13.05
CK Birla Corporate Services Limited	Professional services	436.32	529.59
	Brand usage	87.96	40.23
	Reimbursements	3.62	27.08
Orient Paper and Industries Limited	Rent received	66.04	66.04
Orient Cement Limited	Rent received	81.84	81.84
	Sales of finished goods	0.38	13.56

## C. Balances outstanding

		(₹ in lacs)	
Related party	Details	31 March 2021	31 March 2020
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	120.00	85.00
Managing Director and Chief Executive Officer	Managerial remuneration*	88.00	59.31
	Share based payment	215.04	185.17
Chief Financial Officer	Managerial remuneration*	42.25	28.46
	Share based payment	32.06	10.15
Company Secretary	Managerial remuneration*	3.80	7.31
Parador GmbH, Germany	Trade payable	40.73	133.55
HIL International GmbH, Germany	Loan given	8144.24	12432.71
	Interest accrued on loan given	180.38	969.64
GMMCO Limited	Advance for materials	-	50.42
	Trade payable	0.16	-
Orient Electric Limited	Trade payable	-	1.88
	Trade receivable	-	3.15
Birla Buildings Limited	Rent payable	0.12	-
CK Birla Corporate Services Limited	Trade payables	127.53	45.38
National Engineering Industries Limited	Rent payable	0.09	-

# During earlier 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, compensated absences and other long-term employee benefit plans are 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 41 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 2021	31 March 2020
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including ₹ 71.69 lacs shown under capital creditors (31 March 2020: ₹ 43.04 lacs) and Nil (31 March 2020: ₹ 6.89 lacs) shown under Disposal group - Liabilities directly associated with assets held for sale];	1051.99	678.57
(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 amounts 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 year, 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

## 42 Other provisions

(₹ in lacs)

Particulars	Opening balance	Created during the year	Utilised during the year	Closing balance
<b>(i) For the year 2020-21</b>				
Provision for employee related other costs [refer note (a) below]	-	54.68	-	54.68
Provision for litigations [refer note (b) below]	357.95	-	9.37	348.58
Provision - others [refer note (c) below]	450.69	20.00	60.68	410.01
	<b>808.64</b>	<b>74.68</b>	<b>70.05</b>	<b>813.27</b>
<b>(ii) For the year 2019-20</b>				
Provision for employee related other costs [refer note (a) below]	31.46	-	31.46	-
Provision for litigations [refer note (b) below]	357.95	-	-	357.95
Provision - others [refer note (c) below]	600.00	-	149.31	450.69
	<b>989.41</b>	<b>-</b>	<b>180.77</b>	<b>808.64</b>

- (a) The wage agreement at five of the manufacturing locations (31 March 2020: at none) of the Company are pending as at 31 March 2021.
- (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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 43 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 employee stock option schemes. The relevant details of these schemes and the grants 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 (ESOP scheme 2015) for issue of stock options to identified employees of the Company.

On 12 August 2019 the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2019 (ESOP scheme 2019) 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. The relevant terms of the grant as mentioned in the ESOP scheme 2015 and ESOP scheme 2019 are as below:

Particulars	ESOP scheme 2019		ESOP scheme 2015	
	Grant I		Grant I	Grant II
Date of grant	14 October 2019		17 August 2015	27 July 2017
Number of options outstanding	86867		-	21360
Vesting period	40% - end of year 3		40% - end of year 3	40% - end of year 3
	60% - end of year 4		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	4 years from the respective dates of vesting
Exercise price (₹)	1234.15		620.00	620.00
Weighted average market price (₹)	1234.15		789.59	1091.02

### 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 2021 and 31 March 2020

Grant date	ESOP scheme 2015			
	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%



# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 43 Share based payments (Continued)

Grant date	ESOP scheme 2019	
	Grant I	
	Tranche 1	Tranche 2
	14 October 2019	
Fair value at grant date (₹)	470.38	470.38
Exercise price (₹)	1234.15	1234.15
Expected volatility (weighted average volatility)	37.62%	37.89%
Risk-free interest rate (based on government bonds)	6.32%	6.56%
Time to maturity (in years)	5	6
Expected dividends yields	2.05%	2.05%

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 6.13 years (31 March 2020: 6.54 years).

### C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2015 and ESOP scheme 2019" are summarised below:

Particulars	31 March 2021	31 March 2020
	No. of options	No. of options
Outstanding at the beginning of the year	130967	42560
Granted during the year	-	105049
Cancelled during the year*	8500	9682
Vested and exercised during the year	14240	6960
Outstanding at the end of the year	108227	130967

\* 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 2021 was ₹ 1244.29 (31 March 2020: ₹ 1285.25).

### D. Expense recognised in the standalone statement of profit and loss

For details on the employee benefits expense, refer note 28.

## 44 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
<b>As at 31 March 2021</b>	USD	35	11137717	For hedging of trade payables
	USD	4	2013000	For hedging of loan receivables and interest
	EUR	18	8678037	For hedging of loan receivables and interest
<b>As at 31 March 2020</b>	USD	23	5665686	For hedging of trade payables
	USD	3	1129838	For hedging of buyers credit facility
	USD	4	2263000	For hedging of loan receivables and interest
	EUR	27	13750000	For hedging of loan receivables
	EUR/USD	2	1885000	For hedging of loan receivables and interest

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 45 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 ₹ 171.06 lacs (31 March 2020: ₹ 229.57 lacs) on generation of power, and recorded profit of ₹ 41.62 lacs (31 March 2020: ₹ 71.62 lacs).

## 46 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 2020	JV established for manufacture of asbestos cement sheets

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 2020 and 2019 are as follows:

#### Proportion of Company's interest in a joint venture company

(₹ in lacs)

Particulars	31 December 2020 (Unaudited)*	31 December 2019 (Unaudited)*
<b>Assets</b>		
Non-current assets	-	-
Current assets	-	-

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 46 Investment (Continued)

Particulars	(₹ in lacs)	
	31 December 2020 (Unaudited)*	31 December 2019 (Unaudited)*
<b>Liabilities</b>		
Non-current liabilities	-	-
Current liabilities	-	-
<b>Income</b>		
Revenue from operations	-	-
Other income	-	-
<b>Expenses</b>		
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 2021 and 31 March 2020, 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 2021 amounts to ₹ Nil (31 March 2020: ₹ Nil), after considering the provision for diminution in value of investments amounting to ₹ 142.60 lacs (31 March 2020: ₹ 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.

## 47 Leases - In the capacity of lessor

The Company has given certain properties under non-cancellable leases to various parties. Following are the details of future minimum lease payments under the agreements:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
Not later than one year	378.35	443.00
Later than one year and not later than five years	215.39	462.63
Later than five years	-	-

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 48 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:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
Total debt	14547.25	42902.64
<b>Total debt (A)</b>	<b>14547.25</b>	<b>42902.64</b>
Total equity	87651.45	70502.97
<b>Total equity (B)</b>	<b>87651.45</b>	<b>70502.97</b>
<b>Total debt to total equity ratio (A/B)</b>	<b>0.17</b>	<b>0.61</b>

## 49 Expenditure incurred on research and development

Revenue expenditure debited to respective heads of accounts includes expenditure incurred on Research and Development during the year amounting to ₹ 443.60 lacs (31 March 2020: ₹ 363.67 lacs) and assets / equipment purchased for research activities of ₹ 23.49 lacs (31 March 2020: ₹ 22.47 lacs) disclosed under Property, plant and equipment.

## 50 Expenditure during construction period (included in capital work-in-progress)

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
<b>Balance brought forward</b>	<b>42.76</b>	<b>36.31</b>
<b>Expenditure incurred during the year</b>		
Cost of material consumed	29.45	5.08
Employee benefits expense	16.60	-
Consumption of stores and spares	1.68	0.26
Contract wages	6.77	8.16
Power and fuel	10.78	15.00
Rent	-	0.36
Insurance	0.38	-
Professional, consultancy and legal expenses	33.06	45.87
Travelling and conveyance	3.45	18.15
Miscellaneous expenses	6.20	9.35
<b>Total expenditure during construction period</b>	<b>108.37</b>	<b>102.23</b>
Less: Turnover	21.59	-
Less: Stocks of finished goods out of trial run production	18.90	-
<b>Total</b>	<b>110.64</b>	<b>138.54</b>
Allocated to property, plant and equipment	104.64	95.78
Balance carried forward	6.00	42.76

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 51 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 2020	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2021
<b>Investment in equity instruments</b>					
HIL International GmbH, Germany	27346.24	-	-	-	27346.24
Supercor Industries Limited, Nigeria (refer note 46 (c))	-	-	-	-	-

(₹ in lacs)

Entity	As at 31 March 2019	Allotment / purchases during the year	Sold during the year	Provision for diminution	As at 31 March 2020
<b>Investment in equity instruments</b>					
HIL International GmbH, Germany	27346.24	-	-	-	27346.24
Supercor Industries Limited, Nigeria (refer note 46 (c))	-	-	-	-	-

### b) The Company has given unsecured interest bearing loans to its following subsidiary:

(₹ in lacs)

Entity	As at 31 March 2020	Given during the year	Repaid during the year	As at 31 March 2021*	Maximum balance outstanding during the year
HIL International GmbH, Germany	12432.71	-	4288.47	8144.24	12432.71

(₹ in lacs)

Entity	As at 31 March 2019	Given during the year	Repaid during the year	As at 31 March 2020*	Maximum balance outstanding during the year
HIL International GmbH, Germany	15536.00	-	3857.63	12432.71	15536.00

\*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 partly financing acquisition of 100% shareholding of Parador Holding GmbH, Germany. The outstanding loan amount is repayable in three instalments starting 16 August 2027 upto 16 August 2029. The said loan carries an interest rate of 8% p.a. (31 March 2020: 8% p.a.).

**52** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the Financial Year and expects such records to be in existence latest by 31 October 2021, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

**53** 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 account.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 54 Leases - In the capacity of lessee

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.

### Under Ind AS 116

The Company has elected the practical expedient and therefore is permitted not to re-assess whether existing contracts contains a lease as defined under Ind AS 116 at the initial application date.

On transition to Ind AS 116, the Company has recognised right-of-use assets amounting to ₹ 1870.42 lacs and lease liabilities amounting to ₹ 967.95 lacs. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 01 April 2019. The rate applied is 8.65% p.a.

The following tables summarise the movement in lease liabilities:

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	739.90	-
Transfer on account of adoption of Ind AS 116	-	967.95
Additions	5.53	-
Interest expenses*	44.85	73.13
Deletions	(164.64)	-
Payment of lease liabilities	(242.59)	(301.18)
<b>Balance at the end</b>	<b>383.05</b>	<b>739.90</b>

As at balance sheet date, the Company is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Company has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (refer note 31).

Particulars	(₹ in lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses relating to short term leases* (refer note 31)	221.04	210.74
Expenses relating to low value leases	-	-

### The following are the amounts recognised in standalone statement of profit and loss

Particulars	(₹ in lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Right-of-use assets*	220.37	278.15
Interest expenses*	44.85	73.13
	<b>265.22</b>	<b>351.28</b>
Amounts recognised in Statement of Cash flows		
Payment of lease liabilities	242.59	301.18
	<b>242.59</b>	<b>301.18</b>

\*Including expense related to discontinued operations.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 55 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 2021

(₹ 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
<b>Financial assets measured at fair value</b>										
Derivative assets	10	882.45	-	-	-	882.45	-	882.45	-	882.45
Investments in mutual funds	7	3002.72	-	-	-	3002.72	3002.72	-	-	3002.72
Investments in equity instruments	7	-	31.65	-	-	31.65	-	-	31.65	31.65
		<b>3885.17</b>	<b>31.65</b>	<b>-</b>	<b>-</b>	<b>3916.82</b>	<b>3002.72</b>	<b>882.45</b>	<b>31.65</b>	<b>3916.82</b>
<b>Financial assets not measured at fair value</b>										
Trade receivables	8	-	-	7921.66	-	7921.66				
Loans	9	-	-	9210.62	-	9210.62				
Other financial assets	10	-	-	357.48	-	357.48				
Cash and cash equivalents	13	-	-	1164.19	-	1164.19				
Other bank balances	14	-	-	323.28	-	323.28				
		<b>-</b>	<b>-</b>	<b>18977.23</b>	<b>-</b>	<b>18977.23</b>				
<b>Financial liabilities measured at fair value</b>										
Derivative liabilities	20	29.10	-	-	-	29.10	-	29.10	-	29.10
		<b>29.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.10</b>	<b>-</b>	<b>29.10</b>	<b>-</b>	<b>29.10</b>
<b>Financial liabilities not measured at fair value</b>										
Borrowings	17	-	-	-	12451.65	12451.65				
Lease liabilities	18	-	-	-	383.05	383.05				
Trade payables	19	-	-	-	17205.08	17205.08				
Other financial liabilities	20	-	-	-	12699.16	12699.16				
		<b>-</b>	<b>-</b>	<b>-</b>	<b>42738.94</b>	<b>42738.94</b>				

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities 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 2021

## 55 Financial instruments - fair values and risk management (Continued)

### A. Accounting classifications and fair values (Continued)

31 March 2020

(₹ 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
<b>Financial assets measured at fair value</b>										
Derivative assets	10	1340.70	-	-	-	1340.70	-	1340.70	-	1340.70
Investments in mutual funds	7	1600.03	-	-	-	1600.03	1600.03	-	-	1600.03
Investments in equity instruments	7	-	55.80	-	-	55.80	-	-	55.80	55.80
		<b>2940.73</b>	<b>55.80</b>	<b>-</b>	<b>-</b>	<b>2996.53</b>	<b>1600.03</b>	<b>1340.70</b>	<b>55.80</b>	<b>2996.53</b>
<b>Financial assets not measured at fair value</b>										
Trade receivables	8	-	-	9807.25	-	9807.25	-	-	-	-
Loans	9	-	-	13475.00	-	13475.00	-	-	-	-
Other financial assets	10	-	-	1274.03	-	1274.03	-	-	-	-
Cash and cash equivalents	13	-	-	697.61	-	697.61	-	-	-	-
Other bank balances	14	-	-	289.49	-	289.49	-	-	-	-
		<b>-</b>	<b>-</b>	<b>25543.38</b>	<b>-</b>	<b>25543.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities measured at fair value</b>										
Derivative liabilities	20	127.56	-	-	-	127.56	-	127.56	-	127.56
		<b>127.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127.56</b>	<b>-</b>	<b>127.56</b>	<b>-</b>	<b>127.56</b>
<b>Financial liabilities not measured at fair value</b>										
Borrowings	17	-	-	-	36124.58	36124.58	-	-	-	-
Lease liabilities	18	-	-	-	739.90	739.90	-	-	-	-
Trade payables	19	-	-	-	21829.94	21829.94	-	-	-	-
Other financial liabilities	20	-	-	-	15396.53	15396.53	-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>74090.95</b>	<b>74090.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities 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.

\* Including Disposal group - Assets held for sale and Disposal group - Liabilities directly associated with assets held for sale (refer note 33).

### B. Measurement of fair values

#### i. Valuation technique 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 2020-21 and no transfers in either direction in 2019-20.

#### iii. Level 3 fair values

(₹ in lacs)

Particulars	FVOCI Equity securities
FVOCI Equity securities	
Balance at 01 April 2019	46.40
Net change in fair value (unrealised)	9.40
<b>Balance at 31 March 2020</b>	<b>55.80</b>
Balance at 01 April 2020	55.80
Net change in fair value (unrealised)	(24.15)
<b>Balance at 31 March 2021</b>	<b>31.65</b>



# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 55 Financial instruments - fair values and risk management (Continued)

### B. Measurement of fair values (Continued)

#### Sensitivity analysis

For the fair values of FVOCI equity securities, there are no material changes at the reporting date on the OCI 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
<b>2020-21</b>		
Annual growth rate (2.5% movement)	14.50	(6.83)
<b>2019-20</b>		
Annual growth rate (2.5% movement)	16.43	(8.21)

### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Market risk
- Credit risk

#### i) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and deployment of risk management framework. The Board of Directors has 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 Company's risk management policies are established 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 management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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 framework 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 management 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 55 Financial instruments - fair values and risk management (Continued)

### C. Financial risk management (Continued)

31 March 2021

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Interest free sales tax loan - secured	4996.94	5348.17	1107.53	2884.82	1355.82	-
Sales tax deferment loan - unsecured	225.31	225.31	88.07	137.24	-	-
Term loan from bank	3825.00	3825.00	900.00	900.00	2025.00	-
Working capital loan	5500.00	5500.00	5500.00	-	-	-
Trade payables	17205.08	17205.08	17205.08	-	-	-
Lease liabilities	383.05	865.57	112.89	86.26	122.41	544.01
Interest accrued	4.57	4.57	4.57	-	-	-
Capital creditors	359.18	359.18	359.18	-	-	-
Unpaid dividend	79.12	79.12	79.12	-	-	-
Security deposits	4304.67	4304.67	4304.67	-	-	-
Contract liabilities	4288.31	4288.31	4288.31	-	-	-
Other financial liabilities	1567.71	1567.71	1567.71	-	-	-
	<b>42738.94</b>	<b>43572.69</b>	<b>35517.13</b>	<b>4008.32</b>	<b>3503.23</b>	<b>544.01</b>
<b>Derivative financial liabilities</b>						
Derivative liabilities	29.10	29.10	29.10	-	-	-
	<b>29.10</b>	<b>29.10</b>	<b>29.10</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 March 2020

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Interest free sales tax loan - secured	4915.97	5348.17	-	1107.53	4240.64	-
Sales tax deferment loan - unsecured	290.21	290.21	64.89	88.07	137.25	-
Term Loan from Bank	21341.29	21363.00	6720.00	6520.00	8123.00	-
Working capital loan	15500.00	15500.00	15500.00	-	-	-
Buyers' credit	855.17	855.17	855.17	-	-	-
Trade payables	21829.94	21829.94	21829.94	-	-	-
Lease liabilities	739.90	1,267.78	243.38	203.93	255.19	565.28
Interest accrued	125.85	125.85	125.85	-	-	-
Capital creditors	373.82	373.82	373.82	-	-	-
Unpaid dividend	81.72	81.72	81.72	-	-	-
Security deposits	4600.41	4600.41	4600.41	-	-	-
Contract liabilities	2503.68	2503.68	2503.68	-	-	-
Other financial liabilities	932.99	932.99	932.99	-	-	-
	<b>74090.95</b>	<b>75072.74</b>	<b>53831.85</b>	<b>7919.53</b>	<b>12756.08</b>	<b>565.28</b>
<b>Derivative financial liabilities</b>						
Derivative liabilities	127.56	127.56	2.48	-	125.08	-
	<b>127.56</b>	<b>127.56</b>	<b>2.48</b>	<b>-</b>	<b>125.08</b>	<b>-</b>

\* Including Disposal group - Liabilities directly associated with assets held for sale (refer note 33).

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 55 Financial instruments - fair values and risk management (Continued)

### C. Financial risk management (Continued)

#### 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 Indian Rupees. 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, buyers' credit and Euro loan and interest receivables have been 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. The Company has certain foreign currency working capital loans in the buyer's credit, however, the same was repaid during the year.

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	Currency	As at 31 March 2021			As at 31 March 2020		
		Value in foreign currency	Exchange rate	Amount ₹ in lacs	Value in foreign currency	Exchange rate	Amount ₹ in lacs
Trade payables	USD	-	-	-	(5039861)	75.69	(3814.67)
	EUR	(22661)	85.73	(19.43)	(127969)	82.88	(106.07)
Trade receivables	USD	243481	73.12	178.03	254	75.69	0.19
	EUR	7818	85.73	6.70	-	-	-
Loan to subsidiaries	EUR	821963	85.73	704.66	-	82.88	-
Interest accrued on loan to subsidiaries	EUR	210411	85.73	180.38	534863	82.88	443.32

\* Including Disposal group - Assets held for sale and Disposal group - Liabilities directly associated with assets held for sale (refer note 33).

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹, 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.

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 55 Financial instruments - fair values and risk management (Continued)

### C. Financial risk management (Continued)

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2021</b>					
(1% movement)	USD	1.78	(1.78)	1.33	(1.33)
	EUR	8.72	(8.72)	6.53	(6.53)
<b>31 March 2020</b>					
(1% movement)	USD	(38.14)	38.14	(28.54)	28.54
	EUR	3.37	(3.37)	2.52	(2.52)

#### 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 2021	31 March 2020
Variable rate borrowings including current maturities	9325.00	37696.46
<b>Total borrowings</b>	<b>9325.00</b>	<b>37696.46</b>

\* Including Disposal group - Liabilities directly associated with assets held for sale (refer note 33).

#### Sensitivity

Particulars	Impact on profit and loss	
	31 March 2021	31 March 2020
1% increase in interest rate	(93.25)	(376.96)
1% decrease in interest rate	93.25	376.96

The interest rate sensitivity is based on the closing balance of 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.

#### 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.

Trade receivables :				(₹ in lacs)
	< 180 days	>180 days	Provision	Total
31 March 2021	7799.60	1611.18	(1489.12)	<b>7921.66</b>
31 March 2020	9819.01	1518.67	(1530.43)	<b>9807.25</b>

# Notes to the Standalone Financial Statements

for the year ended 31 March 2021

## 55 Financial instruments - fair values and risk management (Continued)

### C. Financial risk management (Continued)

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
Balance as at 01 April	1530.43	1322.96
Amounts written off	-	(120.08)
Net remeasurement of loss allowance	(41.31)	327.55
<b>Balance as at 31 March</b>	<b>1489.12</b>	<b>1530.43</b>

\* Including Disposal group - Assets held for sale (refer note 33).

## 56 Impact of COVID - 19

As a result of the nationwide lockdown imposed by the Government of India, the operations of the Company were temporarily disrupted at its various manufacturing facilities impacting production and dispatches from the second half of March 2020. The Company had resumed operations since last week of April 2020 / first week of May 2020 in compliance with the guidelines issued by respective authorities and is continuing to take adequate precautions for safety and wellbeing of its employees. In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious. The Company has considered the possible impact of COVID-19 in preparation of the financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

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: Hyderabad

for and on behalf of the Board of Directors of **HIL Limited**

CIN No.: L74999TG1955PLC000656

**CK Birla**

Chairman

DIN: 00118473

Place: London

**Dhirup Roy Choudhary**

Managing Director and

Chief Executive Officer

DIN: 07707322

Place: Kuala Lumpur

**KR Veerappan**

Chief Financial Officer

Place: Hyderabad

**Mahesh Thakar**

Company Secretary and

Head - Legal

Place: Hyderabad

Date: 14 May 2021

Date: 14 May 2021



# **Consolidated Financial Statements**

# Independent Auditors' Report

To the Members of HIL Limited

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of HIL Limited (hereinafter referred to as the "Holding 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 2021, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 report of other auditor on separate financial statements of such subsidiaries as were audited by the other auditor, the aforesaid consolidated 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 2021, 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 Financial Statements* section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
<p><b>Impairment of Goodwill and Brand with indefinite useful life</b></p> <p>See note 6 to the consolidated financial statements</p> <p>The Holding Company performs impairment assessment of Goodwill and Brand under Ind AS 36 "Impairment of Assets" on an annual basis and whenever there is an indication of impairment. The aforesaid assets arose on acquisition of a European Business. The Holding Company has assessed the useful life of the Brand also as indefinite.</p> <p>In performing the impairment test, the Holding Company has made several key assumptions, such as growth rates, discount rates and forecasted cash flows relating to the aforesaid entity.</p> <p>We identified impairment of Goodwill and Brand as a key audit matter because these estimates involve significant judgement, and the underlying assumptions are inherently uncertain.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>- We evaluated the design and implementation of key internal financial controls of the Holding Company with respect to the impairment assessment of Goodwill and Brand and tested operating effectiveness of such controls;</li> <li>- We tested budgeting procedures upon which the cash flow forecasts were based. We also compared the actual past performances with the budgeted figures;</li> <li>- We involved valuation specialists to assist us in evaluating the key assumptions and methodology used by the Holding Company, in particular those relating to the forecast of the revenue growth, profit margins and discount rate. Valuation specialists also compared the assumptions to externally derived data in relation to key inputs such as projected economic growth, competition, cost inflation and discount rates;</li> <li>- We assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions; and</li> <li>- We assessed the adequacy of the disclosures including disclosures of key assumptions, judgments and sensitivities.</li> </ul>

**Independent Auditors' Report on the Audit of the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2021 (Continued)**

**Key Audit Matters (Continued)**

The key audit matter	How the matter was addressed in our audit
<p><b>Revenue recognition</b></p> <p>See note 23 to the consolidated financial statements</p> <p>The Group's revenue is primarily derived from sale of products of roofing solutions, building solutions, polymer solutions, flooring solutions and others.</p> <p>We have identified timing of revenue recognition as a key audit matter because there are variations in different sale contracts and consequently, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year and understatement on account of recognition of revenue in the subsequent period due to achievement of the performance targets for the current year.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>- We assessed the appropriateness of the revenue recognition accounting policies and compliance with applicable accounting standards;</li> <li>- We evaluated the design and implementation of key internal financial controls with respect to revenue recognition and tested operating effectiveness of such controls on selected transactions;</li> <li>- We performed substantive testing on samples selected using statistical sampling of revenue transactions, recorded during the year by testing the underlying documents to assess whether criteria for revenue recognition are met;</li> <li>- We tested sample journal entries selected based on specified risk-based criteria, to identify unusual items;</li> <li>- We tested, on a sample basis using statistical sampling, specific revenue transactions recorded around the year end date to check whether revenue has been recognised in the correct reporting period by testing the underlying documents; and</li> <li>- We carried out product wise year on year variance analysis on revenue recognised during the year to identify unusual variances.</li> </ul>

**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 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 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 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 report of other auditor, 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 and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated 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 venture 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 Management and Board of Directors of the companies included in the Group and of its joint venture 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 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 financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture 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 the respective Board of Directors 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 venture is responsible for overseeing the financial reporting process of each company.



## Independent Auditors' Report on the Audit of the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2021 (Continued)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based 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 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 and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor 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 report of the other auditor 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 financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements 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 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 information of four subsidiaries, whose financial information reflect total assets of ₹ 106,943 lakhs as at 31 March 2021, total revenues of ₹ 147,991 lakhs and net cash inflows amounting to ₹ 3,604 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditor and our opinion on the consolidated 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 sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit report of the other auditor.

## Independent Auditors' Report on the Audit of the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2021 (Continued)

(b) The consolidated financial statements include the Group's share of net profit after tax of ₹ 114 lakhs for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one joint venture, whose financial information have not been audited by us or by other auditor. This unaudited financial information have been furnished to us by the Management and our opinion on the consolidated 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 sub-sections (3) of Section 143 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 the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated 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 report of the other auditor 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 report of the other auditor on separate financial statements of such subsidiaries as were audited by other auditor, 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 financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- 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 financial statements.
- d) In our opinion, the aforesaid consolidated 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 2021, 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 2021 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 report of the other auditor on separate financial statements of the subsidiaries and the unaudited financial information of the joint venture furnished by the Management, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its joint venture. Refer Note 39 to the consolidated financial statements.
- ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021. Refer Note 53 to the consolidated 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 2021.
- iv. The disclosures in the consolidated 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 financial statements since they do not pertain to the financial year ended 31 March 2021.

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 **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration No.: 116231W/ W-100024

**Vikash Somani**

Partner

Membership No.: 061272

ICAI UDIN: 21061272AAAAAZ9757

Place: Hyderabad

Date: 14 May 2021

# Annexure A

## to the Independent Auditors' Report on the Consolidated Financial Statements of HIL Limited for the year ended 31 March 2021

### Report on the internal financial controls with reference to the aforesaid Consolidated Financial Statements 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 financial statements of HIL Limited (hereinafter referred to as "the Company" or "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of HIL Limited, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company 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 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 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls

with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 judgement, including the assessment of the risks of material misstatement of the consolidated 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 financial statements.

#### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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

ICAI UDIN: 21061272AAAAA9757

Place: Hyderabad

Date: 14 May 2021

# Consolidated Balance Sheet

(₹ in lacs)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	90910.89	87819.33
(b) Capital work-in-progress	4	1078.50	3503.43
(c) Investment property	5	2009.58	2039.94
(d) Goodwill	6	12934.43	12505.33
(e) Other intangible assets	6	9765.40	9618.77
(f) Intangible assets under development	4	315.94	-
(g) Equity accounted investee	46	232.79	121.38
(h) Financial assets			
(i) Investments	7	32.04	56.17
(ii) Trade receivables	8	4.36	4.36
(iii) Loans	9	1066.38	1005.16
(iv) Other financial assets	10	925.04	1317.67
(i) Non-current tax assets (net)		2077.63	2141.50
(j) Other non-current assets	11	1242.97	1258.63
<b>Total non-current assets</b>		<b>122595.95</b>	<b>121391.67</b>
<b>Current assets</b>			
(a) Inventories	12	48660.97	56840.76
(b) Financial assets			
(i) Investments	7	3002.72	1600.03
(ii) Trade receivables	8	9649.12	11835.21
(iii) Cash and cash equivalents	13	12691.39	8620.79
(iv) Bank balances other than (iii) above	14	323.28	289.49
(v) Other financial assets	10	7837.59	6931.29
(c) Other current assets	11	6586.68	6064.18
(d) Disposal group - Assets held for sale	33	-	1866.89
<b>Total current assets</b>		<b>88751.75</b>	<b>94048.64</b>
<b>TOTAL ASSETS</b>		<b>211347.70</b>	<b>215440.31</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	751.97	750.55
(b) Other equity	16	98774.77	73521.76
<b>Equity attributable to the owners of the Company</b>		<b>99526.74</b>	<b>74272.31</b>
Non-controlling interest		-	-
<b>Total Equity</b>		<b>99526.74</b>	<b>74272.31</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	25936.83	44195.33
(ii) Lease liabilities	18	1589.05	1480.95
(iii) Other financial liabilities	20	-	125.08
(b) Provisions	21	4020.96	3446.28
(c) Deferred tax liabilities (net)	34	10483.10	11121.35
(d) Other non-current liabilities	22	197.27	281.82
<b>Total non-current liabilities</b>		<b>42227.21</b>	<b>60650.81</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	8929.15	19670.56
(ii) Lease Liabilities	18	463.35	287.50
(iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	19	980.30	628.64
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	31067.75	31426.29
(iv) Other financial liabilities	20	19383.58	20782.71
(b) Other current liabilities	22	3929.50	3410.52
(c) Provisions	21	2997.88	2524.52
(d) Current tax liabilities (net)		1842.24	1308.50
(e) Disposal group - Liabilities directly associated with assets held for sale	33	-	477.95
<b>Total current liabilities</b>		<b>69593.75</b>	<b>80517.19</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>211347.70</b>	<b>215440.31</b>
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: Hyderabad

for and on behalf of the Board of Directors of **HIL Limited**

CIN No.: L74999TG1955PLC000656

**CK Birla**

Chairman

DIN: 00118473

Place: London

**KR Veerappan**

Chief Financial Officer

Place: Hyderabad

Date: 14 May 2021

**Dhirup Roy Choudhary**

Managing Director and

Chief Executive Officer

DIN: 07707322

Place: Kuala Lumpur

**Mahesh Thakar**

Company Secretary and

Head - Legal

Place: Hyderabad

Date: 14 May 2021

# Consolidated Statement of Profit and Loss

(₹ in lacs)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I CONTINUING OPERATIONS</b>			
Revenue from operations	23	304357.31	255490.62
Other income	24	1812.39	2463.14
<b>TOTAL INCOME (I)</b>		<b>306169.70</b>	<b>257953.76</b>
<b>II EXPENSES</b>			
Cost of materials consumed	25	147299.17	124298.21
Purchases of stock-in-trade	26	7775.91	8224.28
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	2151.52	(2035.56)
Employee benefits expense	28	39393.63	35795.16
Finance costs	29	2784.27	3851.62
Depreciation and amortisation expenses	30	10896.06	9707.17
Other expenses	31	66818.92	65485.85
<b>TOTAL EXPENSES (II)</b>		<b>277119.48</b>	<b>245326.73</b>
<b>III Profit before share of profit of equity accounted investees and tax from continuing operations (I-II)</b>		<b>29050.22</b>	<b>12627.03</b>
<b>IV Share of profit of equity accounted investees (net of tax)</b>	46	<b>114.02</b>	<b>63.69</b>
<b>V Profit before tax from continuing operations (III+IV)</b>		<b>29164.24</b>	<b>12690.72</b>
<b>VI Tax expense:</b>			
Current tax	34	8422.16	4231.84
Income-tax for earlier years	34	169.39	(38.22)
Deferred tax	34	(852.00)	(1400.34)
<b>VII Profit from continuing operations (V-VI)</b>		<b>21424.69</b>	<b>9897.44</b>
<b>VIII Discontinued operations</b>			
Profit before tax from discontinued operations	33	6133.95	867.42
Tax expense of discontinued operations	34	1583.69	169.49
Profit from discontinued operations (after tax)		4550.26	697.93
<b>IX Profit for the year (VII+VIII)</b>		<b>25974.95</b>	<b>10595.37</b>
<b>X Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of defined benefit liability		(135.31)	(115.76)
Income-tax relating to above item		49.38	31.27
		<b>(85.93)</b>	<b>(84.49)</b>
(b) Equity investments through other comprehensive income - net change in fair value		(24.15)	9.40
Income-tax relating to above item		5.53	(2.15)
		<b>(18.62)</b>	<b>7.25</b>
Items that will be reclassified subsequently to profit or loss			
(a) Exchange difference in translating financial statements of foreign operations		1018.28	1901.62
<b>Other comprehensive income for the year, net of income-tax</b>		<b>913.73</b>	<b>1824.38</b>
<b>XI Total comprehensive income for the year (IX + X)</b>		<b>26888.68</b>	<b>12419.75</b>
<b>XII Profit attributable to:</b>			
Owners of the Company		25974.95	10595.37
Non-controlling interests		-	-
<b>Profit for the year</b>		<b>25974.95</b>	<b>10595.37</b>
<b>XIII Other comprehensive income attributable to:</b>			
Owners of the Company		913.73	1824.38
Non-controlling interests		-	-
Other comprehensive income for the year		913.73	1824.38
<b>XIV Total comprehensive income attributable to:</b>			
Owners of the Company		26888.68	12419.75
Non-controlling interests		-	-
<b>Total comprehensive income for the year</b>		<b>26888.68</b>	<b>12419.75</b>
<b>XV Earnings per equity share for continuing operations (par value of ₹ 10 each)</b>	37		
Basic (in ₹)		286.12	132.40
Diluted (in ₹)		285.16	132.12
<b>XVI Earnings per equity share for discontinued operations (par value of ₹ 10 each)</b>	37		
Basic (in ₹)		60.77	9.34
Diluted (in ₹)		60.56	9.32
<b>XVII Earnings per equity share for continuing and discontinued operations (par value of ₹ 10 each)</b>	37		
Basic (in ₹)		346.89	141.73
Diluted (in ₹)		345.72	141.44
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: Hyderabad

 for and on behalf of the Board of Directors of **HIL Limited**

CIN No.: L74999TG1955PLC000656

**CK Birla**

Chairman

DIN: 00118473

Place: London

**KR Veerappan**

Chief Financial Officer

Place: Hyderabad

**Dhirup Roy Choudhary**

Managing Director and

Chief Executive Officer

DIN: 07707322

Place: Kuala Lumpur

**Mahesh Thakar**

Company Secretary and

Head - Legal

Place: Hyderabad

Date: 14 May 2021

Date: 14 May 2021

# Consolidated Statement of Cash Flows

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flows from operating activities</b>		
Profit for the year (before tax)	35298.19	13558.14
<i>Adjustments for:</i>		
Depreciation and amortisation expense	10896.06	9788.66
Rental income from investment property	(545.55)	(582.13)
Provision for impairment of receivables, advances and other assets, net	(232.88)	616.52
Liabilities no longer required written back	(27.87)	(597.88)
Net loss/ (gain) on sale of property, plant and equipment	83.73	(537.55)
Foreign exchange fluctuations, net	15.00	(360.85)
Share of profit of equity accounted investee	(114.02)	(63.69)
Financial assets measured at FVTPL-net change in fair value	155.96	(501.10)
Net gain on sale of investments	(8.39)	(40.56)
Employee stock compensation expense	149.17	118.05
Finance costs	2784.27	3852.48
Interest income	(194.75)	(105.89)
Interest income on income tax refund	(133.35)	-
Government grant	(84.55)	(84.55)
Dividend income	(0.27)	(0.40)
Profit from sale of discontinued operation	(6056.14)	-
<b>Operating profit before changes in assets and liabilities</b>	<b>41984.61</b>	<b>25059.25</b>
<i>Changes in assets and liabilities:</i>		
Decrease / (increase) in inventories	8179.79	(7666.81)
Decrease in trade receivables and loans	2204.86	2264.82
Increase in other financial assets	(1094.94)	(352.16)
Increase in other assets	(301.00)	(1739.65)
Increase / (decrease) in trade payables	588.80	(738.83)
Increase in other financial liabilities	2782.55	337.11
Increase in provisions	912.73	835.39
Increase / (decrease) in other current liabilities	518.97	(522.74)
<b>Cash generated from operating activities</b>	<b>55776.37</b>	<b>17476.38</b>
Income-tax paid (net of refund)	(9175.62)	(4455.70)
<b>Net cash from operating activities (A)</b>	<b>46600.75</b>	<b>13020.68</b>
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(10866.37)	(11768.20)
Proceeds from sale of property, plant and equipment	224.61	689.39
Proceeds from sale of discontinued operation	7763.64	-
Proceeds from sale of mutual funds	10911.14	27740.52
Purchase of mutual funds	(12299.96)	(29300.00)
Interest received	192.23	84.86
Dividends received	0.27	0.40
Bank balances not considered as cash and cash equivalents	91.75	10.15
Rent received from long-term investment in properties	545.55	582.13
<b>Net cash used in investing activities (B)</b>	<b>(3437.14)</b>	<b>(11960.75)</b>
<b>C Cash flows from financing activities*</b>		
Repayment of long-term borrowings	(26960.48)	(15452.88)
Receipts of long-term borrowings	4500.00	11061.35
(Repayment)/ proceeds from short-term borrowings (net)	(10741.41)	11544.36
Finance costs	(2693.68)	(3847.95)
Interest on lease liabilities	(79.34)	(83.94)
Repayment of lease liabilities	(1220.83)	(474.19)
Proceeds from issue of share capital	88.28	43.16
Dividend paid on equity shares	(1874.31)	(1691.89)
Tax on equity dividend paid	-	(345.69)
<b>Net cash (used in) / from financing activities (C)</b>	<b>(38981.77)</b>	<b>752.33</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4181.84</b>	<b>1812.26</b>
Cash and cash equivalents at the beginning of the year	8620.79	6415.69
Effect of changes in foreign currency fluctuation on cash and cash equivalents	(111.24)	392.84
<b>Cash and cash equivalents at the end of the year</b>	<b>12691.39</b>	<b>8620.79</b>

# Consolidated Statement of Cash Flows (Continued)

## \*Changes in liabilities arising from financing activities:

(₹ in lacs)

Particulars	As at 01 April 2020	Cash flow changes	Non-cash changes	As at 31 March 2021
Long-term borrowings	54433.81	(22460.48)	132.20	32105.53
Short-term borrowings	19670.56	(10741.41)	-	8929.15

### Note:

- 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.
- The Group has presented its cash flows, that analyses all cash flows in total - i.e., including both continuing and discontinued operations; amounts related to discontinued operations are disclosed in note 33. However in our view, cash flows from discontinued operations can also be presented in other ways.
- Cash and cash equivalents comprises of:

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks:		
- In current accounts	12682.69	8604.88
Cheques, draft on hand	-	0.10
Cash on hand	8.70	15.81
<b>Cash and cash equivalents as per balance sheet</b>	<b>12691.39</b>	<b>8620.79</b>

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

**Vikash Somani**  
Partner  
Membership No.: 061272  
Place: Hyderabad

Date: 14 May 2021

for and on behalf of the Board of Directors of **HIL Limited**  
CIN No.: L74999TG1955PLC000656

**CK Birla**  
Chairman  
DIN: 00118473  
Place: London

**KR Veerappan**  
Chief Financial Officer  
Place: Hyderabad

Date: 14 May 2021

**Dhirup Roy Choudhary**  
Managing Director and  
Chief Executive Officer  
DIN: 07707322  
Place: Kuala Lumpur

**Mahesh Thakar**  
Company Secretary and  
Head - Legal  
Place: Hyderabad

# Consolidated Statement of Changes in Equity

## a. Equity share capital

(₹ in lacs)

Balance as at 01 April 2019	749.85
Changes in equity share capital during 2019-20	0.70
<b>Balance as at 31 March 2020</b>	<b>750.55</b>
Balance as at 01 April 2020	750.55
Changes in equity share capital during 2020-21	1.42
<b>Balance as at 31 March 2021</b>	<b>751.97</b>

## 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	
<b>Balance at 01 April 2019</b>	<b>22888.41</b>	<b>708.52</b>	<b>40100.00</b>	<b>35.00</b>	<b>116.66</b>	<b>34.66</b>	<b>(914.31)</b>	<b>62968.94</b>
<b>Total comprehensive income for the year ended 31 March 2020</b>								
Profit for the year	10595.37	-	-	-	-	-	-	10595.37
Share based payment, net of reversal (refer note 43)	-	-	-	-	118.05	-	-	118.05
Other comprehensive income (net of tax)	(84.49)	-	-	-	-	7.25	1901.62	1824.38
<b>Total comprehensive income</b>	<b>10510.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.05</b>	<b>7.25</b>	<b>1901.62</b>	<b>12537.80</b>
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-	-
Dividend	(1681.75)	-	-	-	-	-	-	(1681.75)
Corporate dividend tax	(345.69)	-	-	-	-	-	-	(345.69)
Share options exercised	-	66.24	-	-	(23.78)	-	-	42.46
<b>Balance at 31 March 2020</b>	<b>30371.85</b>	<b>774.76</b>	<b>41100.00</b>	<b>35.00</b>	<b>210.93</b>	<b>41.91</b>	<b>987.31</b>	<b>73521.76</b>
<b>Balance at 01 April 2020</b>	<b>30371.85</b>	<b>774.76</b>	<b>41100.00</b>	<b>35.00</b>	<b>210.93</b>	<b>41.91</b>	<b>987.31</b>	<b>73521.76</b>
<b>Total comprehensive income for the year ended 31 March 2021</b>								
Profit for the year	25974.95	-	-	-	-	-	-	25974.95
Share based payment, net of reversal (refer note 43)	-	-	-	-	149.17	-	-	149.17
Other comprehensive income (net of tax)	(85.93)	-	-	-	-	(18.62)	1018.28	913.73
<b>Total comprehensive income</b>	<b>25889.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149.17</b>	<b>(18.62)</b>	<b>1018.28</b>	<b>27037.85</b>
Transfer to general reserve	(1000.00)	-	1000.00	-	-	-	-	-
Dividend	(1871.71)	-	-	-	-	-	-	(1871.71)
Share options exercised	-	167.10	-	-	(80.23)	-	-	86.87
<b>Balance at 31 March 2021</b>	<b>53389.16</b>	<b>941.86</b>	<b>42100.00</b>	<b>35.00</b>	<b>279.87</b>	<b>23.29</b>	<b>2005.59</b>	<b>98774.77</b>

As per our Report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/ W-100024

**Vikash Somani**

Partner

Membership No.: 061272

Place: Hyderabad

Date: 14 May 2021

for and on behalf of the Board of Directors of **HIL Limited**

CIN No.: L74999TG1955PLC000656

**CK Birla**

Chairman

DIN: 00118473

Place: London

**KR Veerappan**

Chief Financial Officer

Place: Hyderabad

Date: 14 May 2021

**Dhirup Roy Choudhary**

Managing Director and

Chief Executive Officer

DIN: 07707322

Place: Kuala Lumpur

**Mahesh Thakar**

Company Secretary and

Head - Legal

Place: Hyderabad



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 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 Group's 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
<b>Subsidiary</b>		
HIL International GmbH	Germany	100%
<b>Step down subsidiaries</b>		
Parador Holding GmbH	Germany	100%
Parador GmbH	Germany	100%
Parador Parkettwerke GmbH	Austria	100%
<b>Joint ventures</b>		
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 46(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, Colored 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, Tile Adhesive and Boards with manufacturing facilities located at Hyderabad, Thimmapur, Faridabad, Chennai, Golan, Jhajjar and Dharuhera. Thermal Insulation business operated under the brand "HYSIL" has been sold under a slump sale arrangement during the year (refer note 33).

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 with manufacturing 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 14 May 2021.
- 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 2021

## C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
- 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
- Leases	Lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. Right-to-use asset has been measured as an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Practical expedient on transition to exclude initial direct costs from ROU asset measurement is considered.
- Disposal groups	The assets classified as held for sale have been measured at lower of carrying amounts and fair value less costs to sell.

## 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 47 – leases: whether an arrangement contains a lease;
- Note 47 – 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 21 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 56 – 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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;
- Note 43 – share based payment arrangements;
- Note 56 – 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 on which 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 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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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 ₹, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ 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 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.

#### 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 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.

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 amortized over the period of the lease.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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 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:

Assets	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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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 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.

## 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).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## *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.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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 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 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.

## vi. **Other long-term employee benefits**

The Group's net obligation in respect of long-term employee benefits other than post-employment

benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

## j. **Revenue**

### **Revenue from contract with customers**

The Group generates revenue from sale of goods or services and other operating revenues. 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 being included in retained earnings.

### **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

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

agreed credit terms. For customer loyalty programme refer note (b) below.

- (ii) 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.

## **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) 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.

## **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
- 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.

## **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. Leases as lessee**

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases - i.e. these leases are on-balance sheet. The Group decided to apply recognition exemptions to short-term leases.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in Ind AS 116. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments included in the measurement of the lease liability comprise:

- a. Fixed payments including in-substance fixed payments
- b. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- c. Amounts expected to be payable under a residual value guarantee

## *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'Financial liabilities' in the Balance sheet.

## **ii. Leases as lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

## **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.

# Notes to the Consolidated Financial Statements

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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 contingent 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 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.

# Notes to the Consolidated Financial Statements

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## 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. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the Group and which represents a separate major line of business or geographical area of operations and is part of a single co-ordinated plan to dispose off a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit and loss

is re-presented as if the operation has discontinued from the start of the comparative period.

The disposal group, assets & liabilities classified as held for sale have been measured at lower of carrying amounts and fair value less costs to sell.

## w. Recent pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

# Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 4. Property, plant and equipment

Particulars	(₹ in lacs)											
	Freehold land (refer note (a) below)	Leasehold land	Buildings	Railway sidings	Plant and machinery (refer note (b) below)	Furniture and fittings	Office equipments	Vehicles	Right of use assets (refer note (d) below)	Total	Capital work-in-progress	Intangible assets under development
<b>A. Cost or Deemed cost (Gross carrying amount)</b>												
As at 01 April 2019	6642.09	977.90	29291.32	0.63	58782.17	506.02	1722.06	497.89	-	98420.08	3240.68	-
Additions	-	-	1514.89	-	6461.37	202.07	856.05	29.11	3105.73	12169.22	9284.17	281.33
Deletions	-	(902.47)	(13.38)	-	(349.99)	(0.46)	(338.87)	(80.33)	-	(1685.50)	-	-
Transfers to Property, plant and equipment / Intangible assets	-	-	-	-	-	-	-	-	-	-	(9063.49)	(281.33)
Exchange differences on translation of foreign operations	276.94	-	990.10	-	1114.05	-	110.15	16.69	64.44	2572.37	42.07	-
Reclassification to non-current assets held for sale	-	-	(15.18)	-	-	-	-	-	-	(15.18)	-	-
Reclassification to assets held for sale as part of disposal group	(37.20)	-	(405.09)	-	(2178.71)	(13.22)	(10.15)	(14.15)	(7.04)	(2665.56)	-	-
<b>As at 31 March 2020</b>	<b>6881.83</b>	<b>75.43</b>	<b>31362.66</b>	<b>0.63</b>	<b>63828.89</b>	<b>694.41</b>	<b>2339.24</b>	<b>449.21</b>	<b>3163.13</b>	<b>108795.43</b>	<b>3503.43</b>	<b>-</b>
Additions	-	-	2932.70	-	7248.22	57.07	488.47	4.75	1609.31	12340.52	8277.19	908.19
Deletions	-	-	(0.16)	-	(696.22)	(15.06)	(16.07)	(69.65)	(373.18)	(1170.34)	-	-
Transfers to Property, plant and equipment / Intangible assets	-	-	-	-	-	-	-	-	-	-	(10731.21)	(590.88)
Exchange differences on translation of foreign operations	151.33	-	528.51	-	615.97	-	59.02	9.27	30.46	1394.56	29.09	(1.37)
Reclassification from / (to) assets held for sale as part of disposal group	-	-	4.99	-	(9.96)	0.02	(0.73)	0.93	7.04	2.29	-	-
<b>As at 31 March 2021</b>	<b>7033.16</b>	<b>75.43</b>	<b>34828.70</b>	<b>0.63</b>	<b>70986.90</b>	<b>736.44</b>	<b>2869.93</b>	<b>394.51</b>	<b>4436.76</b>	<b>121362.46</b>	<b>1078.50</b>	<b>315.94</b>

# Notes to the Consolidated Financial Statements

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(All amounts in Indian Rupees in lacs, except for share data or as otherwise stated)

## 4. Property, plant and equipment (Continued)

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	Right of use assets (refer note (d) below)	Total	Capital work-in-progress	Intangible assets under development
<b>B. Accumulated depreciation / amortisation</b>												
As at 01 April 2019	-	34.61	2104.40	0.51	10790.62	168.46	385.73	112.06	-	13596.39	-	-
For the year ended 31 March 2020	-	40.82	1233.20	-	6370.20	69.48	792.00	101.60	547.96	9155.26	-	-
Deletions	-	-	(3.28)	-	(256.83)	(0.45)	(337.77)	(37.64)	-	(635.97)	-	-
Exchange differences on translation of foreign operations	-	-	56.45	-	246.10	-	33.18	5.21	14.07	355.01	-	-
Reclassification to non-current assets held for sale	-	-	(1.82)	-	-	-	-	-	-	(1.82)	-	-
Reclassification to assets held for sale as part of disposal group	-	-	(206.73)	-	(1255.79)	(5.86)	(9.10)	(13.49)	(1.80)	(1492.77)	-	-
<b>As at 31 March 2020</b>	-	<b>75.43</b>	<b>3182.22</b>	<b>0.51</b>	<b>15894.30</b>	<b>231.63</b>	<b>864.04</b>	<b>167.74</b>	<b>560.23</b>	<b>20976.10</b>	-	-
For the year ended 31 March 2021	-	-	1295.84	-	7221.33	76.54	571.72	73.10	922.03	10160.56	-	-
Deletions	-	-	(0.05)	-	(588.74)	(8.74)	(12.25)	(35.37)	(216.85)	(862.00)	-	-
Exchange differences on translation of foreign operations	-	-	28.99	-	124.84	-	16.36	3.01	4.23	177.43	-	-
Reclassification from / (to) assets held for sale as part of disposal group	-	-	4.10	-	(7.30)	0.02	(0.07)	0.93	1.80	(0.52)	-	-
<b>As at 31 March 2021</b>	-	<b>75.43</b>	<b>4511.10</b>	<b>0.51</b>	<b>22644.43</b>	<b>299.45</b>	<b>1439.80</b>	<b>209.41</b>	<b>1271.44</b>	<b>30451.57</b>	-	-
<b>C. Net carrying amounts (A-B)</b>												
<b>As at 31 March 2020</b>	<b>6881.83</b>	-	<b>28180.44</b>	<b>0.12</b>	<b>47934.59</b>	<b>462.78</b>	<b>1475.20</b>	<b>281.47</b>	<b>2602.90</b>	<b>87819.33</b>	<b>3503.43</b>	-
<b>As at 31 March 2021</b>	<b>7033.16</b>	-	<b>30317.60</b>	<b>0.12</b>	<b>48342.47</b>	<b>436.99</b>	<b>1430.13</b>	<b>185.10</b>	<b>3165.32</b>	<b>90910.89</b>	<b>1078.50</b>	<b>315.94</b>

### Note:

- 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 2020: ₹ 1.27 lacs) is pending for registration in the Group's name.
- Refer note 49 for details of assets held for Research and Development.
- Refer note 17 for details of assets pledged against borrowings.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 4. Property, plant and equipment (Continued)

d) Right of use assets comprise of the following assets:

(₹ in lacs)

Particulars	Buildings	Land	Vehicles	Plant and machinery	Office equipments	Total
<b>A. Cost or Deemed cost (Gross carrying amount)</b>						
Balance as at 01 April 2019	-	-	-	-	-	-
Additions	606.92	1090.57	1053.97	326.47	27.82	3105.75
Reclassification to assets held for sale as part of disposal group	-	-	(7.04)	-	-	(7.04)
Exchange differences on translation of foreign operations	2.66	-	43.30	17.03	1.45	64.44
<b>As at 31 March 2020</b>	<b>609.58</b>	<b>1090.57</b>	<b>1090.23</b>	<b>343.50</b>	<b>29.27</b>	<b>3163.15</b>
Additions	489.17	5.53	174.52	845.08	95.01	1609.31
Deletions	(158.22)	-	(184.41)	-	(30.55)	(373.18)
Reclassification from assets held for sale as part of disposal group	-	-	7.04	-	-	7.04
Exchange differences on translation of foreign operations	(2.83)	-	29.20	3.71	0.38	30.46
<b>As at 31 March 2021</b>	<b>937.70</b>	<b>1096.10</b>	<b>1116.58</b>	<b>1192.29</b>	<b>94.11</b>	<b>4436.78</b>
<b>B. Accumulated amortisation</b>						
Balance as at 01 April 2019	-	-	-	-	-	-
For the year ended 31 March 2020	156.14	50.55	306.87	13.60	20.80	547.96
Reclassification to assets held for sale as part of disposal group	-	-	(1.80)	-	-	(1.80)
Exchange differences on translation of foreign operations	0.34	-	11.95	0.71	1.09	14.09
<b>As at 31 March 2020</b>	<b>156.48</b>	<b>50.55</b>	<b>317.02</b>	<b>14.31</b>	<b>21.89</b>	<b>560.25</b>
For the year ended 31 March 2021	311.08	49.31	278.99	253.83	28.81	922.02
Deletions	(48.89)	-	(137.41)	-	(30.55)	(216.85)
Reclassification from assets held for sale as part of disposal group	-	-	1.80	-	-	1.80
Exchange differences on translation of foreign operations	(1.59)	-	6.99	(1.93)	0.77	4.24
<b>As at 31 March 2021</b>	<b>417.08</b>	<b>99.86</b>	<b>467.39</b>	<b>266.21</b>	<b>20.92</b>	<b>1271.46</b>
<b>C. Net carrying amounts (A-B)</b>						
<b>As at 31 March 2020</b>	<b>453.10</b>	<b>1040.02</b>	<b>773.21</b>	<b>329.19</b>	<b>7.38</b>	<b>2602.90</b>
<b>As at 31 March 2021</b>	<b>520.62</b>	<b>996.24</b>	<b>649.19</b>	<b>926.08</b>	<b>73.19</b>	<b>3165.32</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 5 Investment property

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>A. Reconciliation of carrying amount</b>		
<b>Cost or Deemed cost (Gross carrying amount)</b>		
Opening balance	2212.00	2212.00
Additions	-	-
<b>Closing balance</b>	<b>2212.00</b>	<b>2212.00</b>
<b>Accumulated depreciation</b>		
Opening balance	172.05	141.69
Depreciation for the year	30.37	30.37
<b>Closing balance</b>	<b>202.42</b>	<b>172.06</b>
<b>Net carrying amounts</b>	<b>2009.58</b>	<b>2039.94</b>
<b>Fair value</b>	<b>7757.89</b>	<b>7971.00</b>

### Information regarding income and expenditure of investment property:

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rental income derived from investment properties	545.55	578.74
Direct operating expenses (including repairs and maintenance)	-	-
Profit arising from investment properties before depreciation and indirect expenses	545.55	578.74
Less: Depreciation	30.37	30.37
Profit arising from investment properties before indirect expenses	515.18	548.37

## 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 of the following:

- 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 2020: ₹ 427.60 lacs) in the name of the Group is pending.
- The Group has given the investment properties located in New Delhi and Hyderabad on 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 3-5 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 47 for details of minimum lease payments.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 6 Goodwill and other intangible assets

(₹ in lacs)

Particulars	Other intangible assets					Total
	Goodwill	Softwares	Brand	Patents	Service concession arrangements	
<b>Reconciliation of carrying amount</b>						
<b>Cost or Deemed cost (Gross carrying amount)</b>						
Balance at 01 April 2019	11720.06	1141.22	5748.32	1475.92	1997.94	10363.40
Additions	-	281.33	-	-	-	281.33
Deletions	-	-	-	-	-	-
Exchange differences on translation of foreign operations	785.27	31.79	385.15	98.89	-	515.83
<b>Balance at 31 March 2020</b>	<b>12505.33</b>	<b>1454.34</b>	<b>6133.47</b>	<b>1574.81</b>	<b>1997.94</b>	<b>11160.56</b>
Additions	-	590.88	-	-	-	590.88
Deletions	-	1.16	-	-	-	1.16
Exchange differences on translation of foreign operations	429.10	13.78	210.46	54.04	-	278.28
<b>Balance at 31 March 2021</b>	<b>12934.43</b>	<b>2060.16</b>	<b>6343.93</b>	<b>1628.85</b>	<b>1997.94</b>	<b>12030.88</b>
<b>Accumulated amortisation</b>						
Balance at 01 April 2019	-	493.63	-	122.99	288.95	905.57
Amortisation for the year	-	301.58	-	213.82	87.64	603.04
Deletions	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	13.79	-	19.39	-	33.18
<b>Balance at 31 March 2020</b>	<b>-</b>	<b>809.00</b>	<b>-</b>	<b>356.20</b>	<b>376.59</b>	<b>1541.79</b>
Amortisation for the year	-	383.52	-	234.94	87.64	706.10
Deletions	-	1.17	-	-	-	1.17
Exchange differences on translation of foreign operations	-	6.44	-	9.98	-	16.42
<b>Balance at 31 March 2021</b>	<b>-</b>	<b>1200.13</b>	<b>-</b>	<b>601.12</b>	<b>464.23</b>	<b>2265.48</b>
<b>Net carrying amounts</b>						
<b>As at 31 March 2020</b>	<b>12505.33</b>	<b>645.34</b>	<b>6133.47</b>	<b>1218.61</b>	<b>1621.35</b>	<b>9618.77</b>
<b>As at 31 March 2021</b>	<b>12934.43</b>	<b>860.03</b>	<b>6343.93</b>	<b>1027.73</b>	<b>1533.71</b>	<b>9765.40</b>

### 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 as at 31 March 2021 is ₹ 12934.43 lacs (31 March 2020: ₹ 12505.33 lacs) and brand (with indefinite life) as at 31 March 2021 is ₹ 6343.93 lacs (31 March 2020: ₹ 6133.47 lacs).

Following key assumptions were considered while performing impairment testing:

Annual growth rate for 5 years (Average)	10%
Terminal value growth rate	2%
Budgeted EBITDA growth rate	8%
Weighted average cost of capital % (WACC) post tax	10%

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 6 Goodwill and other intangible assets (Continued)

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. 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 2020-2021.

## 7 Investments

(₹ in lacs)

Particulars	As at	
	31 March 2021	31 March 2020
<b>Non-current</b>		
<b>Investment in equity instruments - unquoted at FVOCI (refer note (a) below)</b>		
Birla Buildings Limited - 5000 equity shares of ₹ 10 each fully paid (31 March 2020 : 5000 equity shares of ₹ 10 each fully paid)	31.65	55.80
VR- Bank Westmünsterland eG - One share of Euro 450 each (31 March 2020 : One share of Euro 450 each)	0.39	0.37
	<b>32.04</b>	<b>56.17</b>
Aggregate amount of unquoted non-current investments	32.04	56.17
<b>Current</b>		
<b>Investments in mutual funds - quoted at FVTPL</b>		
	3002.72	1600.03
	<b>3002.72</b>	<b>1600.03</b>
Aggregate book value of quoted current investments	3002.72	1600.03
Aggregate market value of quoted current investments	3002.72	1600.03

### (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 2021	As at 31 March 2020
Fair value at beginning of the year	55.80	46.40
Dividend income recognised during the respective year	0.25	0.38
Fair value at end of the year	31.65	55.80

No strategic investments were disposed off during the year 2020-21 and 2019-20, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 8 Trade receivables

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Secured	4.36	4.36
Unsecured	504.98	448.15
	<b>509.34</b>	<b>452.51</b>
Less: Provision for impairment	(504.98)	(448.15)
	<b>4.36</b>	<b>4.36</b>
<b>Current</b>		
Secured	1311.37	1588.17
Unsecured (refer note 40 for receivables from related parties)	10000.95	11951.07
	<b>11312.32</b>	<b>13539.24</b>
Less: Provision for impairment	(1663.20)	(1704.03)
	<b>9649.12</b>	<b>11835.21</b>

Refer note 17 for details of trade receivables pledged against borrowings.

## 9 Loans

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Security deposits</b>		
Unsecured, considered good	1066.38	1005.16
Doubtful	25.00	25.00
	<b>1091.38</b>	<b>1030.16</b>
Less: Provision for impairment	(25.00)	(25.00)
	<b>1066.38</b>	<b>1005.16</b>

## 10 Other financial assets

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Bank deposits due to mature after 12 months from the reporting date *	54.87	180.41
Derivative assets	870.17	1137.26
	<b>925.04</b>	<b>1317.67</b>
<b>Doubtful</b>		
Other receivables	644.68	644.68
	<b>644.68</b>	<b>644.68</b>
Less: Allowance for doubtful receivables	(644.68)	(644.68)
	<b>-</b>	<b>-</b>
	<b>925.04</b>	<b>1317.67</b>

\* It includes bank deposits held against bank guarantees amounting to ₹ 54.87 lacs (31 March 2020: ₹ 180.41 lacs).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 10 Other financial assets (Continued)

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
<b>Unsecured, considered good</b>		
Interest accrued on fixed deposits and security deposits	101.34	98.82
Derivative assets	12.28	203.44
Contract assets	17.38	19.04
Other receivables	7706.59	6609.99
	<b>7837.59</b>	<b>6931.29</b>
<b>Doubtful</b>		
Dividend receivable	9.01	9.01
Less: Allowance for doubtful receivables (refer note 40)	(9.01)	(9.01)
	<b>7837.59</b>	<b>6931.29</b>

## 11 Other assets

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	577.46	524.51
Advances other than capital advances		
Balance with government authorities	650.70	706.58
Prepayments	14.81	27.54
	<b>1242.97</b>	<b>1258.63</b>
<b>Doubtful</b>		
Advances other than capital advances		
Advance to suppliers	164.83	317.72
	<b>164.83</b>	<b>317.72</b>
Less: Allowance for doubtful advances	(164.83)	(317.72)
	<b>1242.97</b>	<b>1258.63</b>
<b>Current</b>		
Advances other than capital advances		
Advance to suppliers	2827.30	1105.87
Advance to employees	93.51	54.22
Balance with government authorities	3175.30	4363.16
Prepayments	466.91	517.27
Others		
Non-current assets held for sale*	23.66	23.66
	<b>6586.68</b>	<b>6064.18</b>

\* Management intended to sell plant and machinery of one of the manufacturing facilities within the Roofing Solution segment in earlier year. Although efforts to sell are in progress, management is also exploring the alternate use of these items in some of its other plants and basis the outcome of this exercise, final disposal plan will be initiated. In the earlier year, certain non-factory building which is no longer required for the business was planned for disposal, efforts to sell the asset have started and sale is expected by next financial year.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 12 Inventories

(Valued at lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	20316.52	27460.22
Work-in-progress	3709.21	4095.78
Finished goods	21703.71	22871.93
Stock-in-trade	650.09	621.49
Stores and spares	967.87	932.01
	<b>47347.40</b>	<b>55981.43</b>
<b>Inventories in transit</b>		
Raw materials	1260.29	753.66
Finished goods	53.28	-
Stock-in-trade	-	97.78
Stores and spares	-	7.89
	<b>1313.57</b>	<b>859.33</b>
	<b>48660.97</b>	<b>56840.76</b>

The write down of inventories to net realisable value during the year amounted to ₹ 358.69 lacs (31 March 2020: ₹ 268.38 lacs). The write down are included in changes in inventories of finished goods.

## 13 Cash and cash equivalents

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	8.70	15.81
Balances with banks		
- in current accounts	12682.69	8604.88
Cheques, drafts on hand	-	0.10
	<b>12691.39</b>	<b>8620.79</b>

## 14 Other bank balances

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Unpaid dividend accounts	79.12	81.72
Deposits with remaining maturity of less than 12 months *	244.16	207.77
	<b>323.28</b>	<b>289.49</b>

\* It includes bank deposits held against bank guarantees amounting to ₹ 93.15 lacs (31 March 2020: ₹ 207.77 lacs).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 15 Share capital

(₹ in lacs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount ₹ In Lacs	Number of shares	Amount ₹ In Lacs
<b>Authorised share capital</b>				
9500000 (31 March 2020: 9500000) equity shares of ₹ 10 each		950.00		950.00
50000 (31 March 2020: 50000) preference shares of ₹ 100 each		50.00		50.00
		<b>1000.00</b>		<b>1000.00</b>
<b>Issued, subscribed and fully paid-up capital</b>				
7471343 (31 March 2020: 7478303) equity shares of ₹ 10 each fully paid-up		749.25		747.83
Forfeited shares (amount originally paid-up)		2.72		2.72
		<b>751.97</b>		<b>750.55</b>

### (i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(₹ in lacs)

Equity shares	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount ₹ In Lacs	Number of shares	Amount ₹ In Lacs
Shares outstanding at the beginning of the year	7478303	747.83	7471343	747.13
Shares issued on exercise of Employee Stock Option Scheme (refer note 43)	14240	1.42	6960	0.70
<b>Shares outstanding at the end of the year</b>	<b>7492543</b>	<b>749.25</b>	<b>7478303</b>	<b>747.83</b>

### (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.

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

(₹ in lacs)

Equity shares of ₹ 10 each, fully paid-up	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
Central India Industries Limited	1074634	14.34	1074634	14.37
Orient Paper and Industries Limited	906360	12.10	906360	12.12

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 Schemes of the Company, refer note 43.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 16 Other equity

### (A) Reserves and surplus

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(i) Securities premium</b>		
Balance at the commencement of the year	774.76	708.52
Add: Additions during the year	167.10	66.24
	<b>941.86</b>	<b>774.76</b>

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 2021	As at 31 March 2020
<b>(ii) General reserve</b>		
Balance at the commencement of the year	41100.00	40100.00
Add: Amount transferred from surplus balance in the consolidated statement of profit and loss	1000.00	1000.00
	<b>42100.00</b>	<b>41100.00</b>

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.

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(iii) Capital redemption reserve</b>		
Balance at the commencement of the year	35.00	35.00
Add: Additions during the year	-	-
	<b>35.00</b>	<b>35.00</b>

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 2021	As at 31 March 2020
<b>(iv) Share options outstanding account</b>		
Balance at the commencement of the year	210.93	116.66
Less: Shares exercised during the period	(80.23)	(23.78)
Add: Share based payment expenses (refer note 28)	149.17	118.05
	<b>279.87</b>	<b>210.93</b>

The Group has established an equity-settled share-based payment plan for certain categories of employees of the Group. Refer note 43 for further details on this plan.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 16 Other equity (Continued)

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>(v) Retained earnings</b>		
Balance at the commencement of the year	30371.85	22888.41
Add: Profit for the year	25974.95	10595.37
<i>Items of other comprehensive income directly recognised in retained earnings</i>		
– Remeasurement of post employment benefit obligations, net of tax	(85.93)	(84.49)
<b>Amount available for appropriations</b>	<b>56260.87</b>	<b>33399.29</b>
Less : Appropriations		
Interim dividend on equity shares (amount per share ₹ 15.00 (31 March 2020: ₹ 10.00))	(1123.88)	(747.83)
Transferred to general reserve	(1000.00)	(1000.00)
Final dividend on equity shares (amount per share ₹ 10.00 (31 March 2020: ₹ 12.50))	(747.83)	(933.92)
Corporate dividend tax on equity shares	–	(345.69)
<b>Total appropriations</b>	<b>(2871.71)</b>	<b>(3027.44)</b>
	<b>53389.16</b>	<b>30371.85</b>
<b>Total reserves and surplus (A)</b>	<b>96745.89</b>	<b>72492.54</b>

## (B) Other comprehensive income (“OCI”)

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Equity investments through OCI</b>		
Balance at the commencement of the year	41.91	34.66
Changes in fair value	(18.62)	7.25
	23.29	41.91
Exchange differences on translation of foreign operations		
Balance at the commencement of the year	987.31	(914.31)
Add: Movement during the year	1018.28	1901.62
	2005.59	987.31
<b>Total other comprehensive income (B)</b>	<b>2028.88</b>	<b>1029.22</b>
<b>Total (A+B)</b>	<b>98774.77</b>	<b>73521.76</b>

### Dividends

After the reporting dates, the following dividends on equity shares were proposed by the Board of Directors subject to the approval at the Annual General Meeting; the dividends have not been recognised as liabilities.

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Dividend on equity shares (amount per equity share ₹ 25.00 (31 March 2020: ₹ 10.00))*	1873.14	747.83

\* With the abolition of dividend distribution tax in the union budget announced by Honourable Finance Minister on 01 February 2020, effective 01 April 2020, dividends will be taxable in the hands of recipient and hence, provision for Dividend Distribution Tax does not arise.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 17 Borrowings

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
<b>Non-current borrowings</b>		
Secured		
Term loan from banks (refer note (a) below)	21910.18	39054.04
Term loan from others		
– Interest free sales tax loan from a financial institution (refer note (b) below)	3889.41	4915.97
Unsecured		
Deferred payment liabilities		
– Deferred sales tax loan (refer note (c) below)	137.24	225.32
	<b>25936.83</b>	<b>44195.33</b>
<b>Current borrowings</b>		
Secured		
From bank		
– Working capital loan (refer note (f) below)	3429.15	3315.39
	<b>3429.15</b>	<b>3315.39</b>
Unsecured		
Loans repayable on demand		
From banks		
– Working capital loan (refer note (d) below)	5500.00	15500.00
Other loans		
From banks		
– Buyers' credit (refer note (e) below)	–	855.17
	<b>5500.00</b>	<b>16355.17</b>
	<b>8929.15</b>	<b>19670.56</b>

- (a) (i) (1) The Company has availed two term loans of ₹ 27600.00 lacs from Kotak Mahindra Bank during 2018-19 which are secured by way of exclusive equitable mortgage of land and buildings situated at Faridabad, Sanathnagar and Chennai locations of the Company. During the current year, the Company has repaid the entire loan. The said loan carried an interest rate in the range of 7.00% p.a. to 8.10% p.a. during the year (31 March 2020: 8.20% p.a. to 8.55% p.a.).
- (2) During the previous year, the Company availed a term loan of ₹ 3000.00 lacs from Kotak Mahindra Bank secured by way of exclusive charge on moveable assets identified. The outstanding of ₹ 2000.00 lacs was completely repaid in the current year. The said loans carried an interest of 7.05% p.a. to 8.00% p.a. during the year (31 March 2020: 7.75% p.a.).
- (3) During the previous year, the Company availed a term loan of ₹ 4000.00 lacs from Hongkong and Shanghai Banking Corporation Limited secured by way of exclusive charge on moveable assets identified. The outstanding of ₹ 3800.00 lacs was completely repaid during the year. The said loan carried an interest of 7.50% p.a. during the year (31 March 2020: 7.50% p.a.).
- (4) During the year, the Company availed a term loan of ₹ 4500.00 lacs from Hongkong and Shanghai Banking Corporation Limited secured by way of exclusive charge on moveable assets identified. The outstanding of ₹ 3825.00 lacs is repayable over 17 instalments of ₹ 225.00 lacs each from April 2021 to April 2025. The said loan carried an interest rate in the range of 6.00% p.a. to 8.25% p.a. during the year.
- (ii) A term loan taken from Raiffeisenlandesbank Nideroesterreich-Wien AG amounting to Euro 220.00 lacs by HIL International GmbH, Germany is repayable in 14 instalments of which 13 equal semi-annual instalments of Euro 15.00 lacs starting from 31

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 17 Borrowings (Continued)

December 2018. Due to special repayments in FY 2021 of Euro 18.75 lacs the last instalment of Euro 6.25 lacs is falling due on 30 June 2025. The loan carried an interest rate 1.80% 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) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excluding receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). As on 31 March 2020, deed of mortgages are already executed.

- (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 1.80% 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) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excluding receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). As on 31 March 2020, deed of mortgages are already executed.
- (iv) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 11.55 lacs by 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.
- (v) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 10.00 lacs by 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.
- (vi) A term loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG amounting to Euro 50.00 lacs by HIL International GmbH, Germany is repayable in 10 instalments of Euro 5.00 lacs starting from 30 June 2020. Due to special repayments in FY 2021 of Euro 6.25 lacs the last instalment of Euro 3.75 lacs is falling due on 30 June 2024. The loan carried an interest rate 1.80% 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) mortgages over the Parador GmbH's real estate in Coesfeld, Germany of minimum Euro 100.00 lacs and Euro 70.00 lacs (c) pledge over all fixed assets of Parador GmbH (d) pledge over all current assets of Parador GmbH (excluding receivables which will be sold to Factoring but including pledge over the excess receivables of Factoring). As on 31 March 2020, deed of mortgages are already executed.
- (b) Represents interest free sales tax loan taken from a financial institution, 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 unit. The loan is interest free and repayable on yearly basis having last instalment due in financial year 2023-24.
- (d) The Company availed working capital loan from four banks. These loans are repayable on demand and carried an interest rate as linked to Repo Rate + spread which has been in the range of 4.00% p.a. to 9.00% p.a. during the year.
- (e) Buyers' credit loans repayable at maturity, carried interest rate linked to LIBOR of respective currency and effective rates were in the range of 1.11% to 1.34% p.a. during the year.
- (f) A revolving loan taken from Raiffeisenlandesbank Niederoesterreich-Wien AG, amounting to Euro 40.00 lacs by 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 Parkettwerke GmbH's real estate in Güssing, Austria of minimum Euro 25.00 lacs.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 18 Lease liabilities

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Lease liabilities	1589.05	1480.95
	<b>1589.05</b>	<b>1480.95</b>
<b>Current</b>		
Lease liabilities	463.35	287.50
	<b>463.35</b>	<b>287.50</b>

## 19 Trade payables

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	980.30	628.64
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 40 for payables to related parties)	31067.75	31426.29
	<b>32048.05</b>	<b>32054.93</b>

## 20 Other financial liabilities

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Derivative liabilities	-	125.08
	-	<b>125.08</b>
<b>Current</b>		
Current maturities of long-term debt (refer note 17 above)	6168.70	10238.48
Interest accrued but not due on borrowings	4.57	125.85
Capital creditors	359.38	374.02
Unpaid dividend*	79.12	81.72
Sundry deposits	4304.67	4586.66
Derivative liabilities	29.10	2.48
Contract liability against performance obligation	1492.39	1416.14
Contract liability against payment	3763.54	2075.45
Other financial liabilities	3182.11	1881.91
	<b>19383.58</b>	<b>20782.71</b>

\* Amount lying in unpaid / unclaimed dividend account shall be credited to Investor Education and Protection Fund as per the timelines prescribed under the Companies Act, 2013 with due approvals.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 21 Provisions

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Provision for employee benefits		
- Gratuity (refer note 36)	149.72	240.35
- Pension and other post-retirement benefits	2533.45	2347.26
- Other long-term employee benefit plans	655.14	231.07
- Compensated absences	682.65	627.60
	<b>4020.96</b>	<b>3446.28</b>
<b>Current</b>		
Provision for employee benefits		
- Pension	140.54	133.28
- Super annuation fund	-	27.32
- Compensated absences	800.93	623.99
- Employee related other costs (refer note 42)	54.68	-
Other provisions		
- Provision for litigations (refer note 42)	348.58	357.95
- Provision for warranties (refer note 42)	1243.15	931.29
- Provision - others (refer note 42)	410.00	450.69
	<b>2997.88</b>	<b>2524.52</b>

## 22 Other liabilities

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Non-current</b>		
Government grant	197.27	281.82
	<b>197.27</b>	<b>281.82</b>
<b>Current</b>		
Statutory liabilities	1786.17	1300.06
Government grant	84.55	84.55
Other liabilities	2058.78	2025.91
	<b>3929.50</b>	<b>3410.52</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 23 Revenue from operations

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products		
Finished goods	289844.60	238780.85
Traded goods	13411.91	15019.06
Sale of services		
Service concession arrangements	171.06	229.57
Other operating revenues		
Scrap sales	901.87	863.26
Liabilities no longer required, written back	27.87	597.88
	<b>304357.31</b>	<b>255490.62</b>
Refer note 35 for segment wise details.		
<b>Reconciliation of revenue from sale of products with the contract prices</b>		
Contracted price	320964.98	267444.46
Less: Discounts	17708.48	13644.55
	<b>303256.50</b>	<b>253799.91</b>

## 24 Other income

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Dividend income on equity securities - at FVOCI- investment held at reporting date	0.25	0.40
Dividend income on current investments - at FVTPL	0.02	-
Gain on sale of current investments, net	8.39	40.56
Interest income under the effective interest method on financial assets	194.75	103.91
Interest on income-tax refund	133.35	-
Rental income		
From investment property	545.55	578.74
From others	16.94	19.70
Net gain on sale of property, plant and equipment	-	537.55
Net gain on foreign currency transactions	685.42	537.65
Fair value gain on financial assets measured at fair value through profit and loss, net	2.87	501.10
Government grants	84.55	84.55
Miscellaneous income	140.30	58.98
	<b>1812.39</b>	<b>2463.14</b>

## 25 Cost of raw materials consumed

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventory of materials at the beginning of the year	28213.89	23608.96
Add: Purchases during the year	140225.64	128072.36
Less: Inventory of materials at the end of the year	21576.80	28213.88
Adjustment for fluctuation in exchange rates	436.44	830.77
	<b>147299.17</b>	<b>124298.21</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 26 Purchases of stock-in-trade

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchases of stock-in-trade	7775.91	8224.28
	<b>7775.91</b>	<b>8224.28</b>

## 27 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year		
Finished goods	22969.72	19636.47
Stock-in-trade	621.49	532.79
Work-in-progress	4095.78	4513.38
	<b>27686.99</b>	<b>24682.64</b>
Inventories at the end of the year		
Finished goods	21756.99	22969.71
Stock-in-trade	650.09	621.49
Work-in-progress	3709.21	4095.78
	<b>26116.29</b>	<b>27686.98</b>
Changes in inventories	1570.70	(3004.34)
Add: Stocks of finished goods out of trial run production	18.90	–
Adjustment for fluctuation in exchange rates	561.92	968.78
	<b>2151.52</b>	<b>(2035.56)</b>

## 28 Employee benefits expense

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	33082.30	29552.61
Contribution to provident and other fund (refer note 36)	5137.31	4614.19
Employee share based payment expense - equity settled (refer note 43)	149.17	118.05
Gratuity, pension and other post-retirement benefits expenses (refer note 36)	307.52	282.86
Staff welfare expenses	717.33	1227.45
	<b>39393.63</b>	<b>35795.16</b>

## 29 Finance costs

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expenses on long-term loans measured at amortised cost	1690.96	2626.53
Interest expenses on working capital loans measured at amortised cost	485.51	691.37
Interest expenses on other financial liabilities measured at amortised cost	80.97	74.61
Interest expenses on lease liabilities	79.67	85.96
Interest expenses on others	447.16	373.15
	<b>2784.27</b>	<b>3851.62</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 30 Depreciation and amortisation expenses

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 4)	9238.02	8527.60
Amortisation of intangible assets (refer note 6)	706.10	603.04
Depreciation on investment property (refer note 5)	30.37	30.37
Depreciation-right of use assets (refer note 4)	921.57	546.16
	<b>10896.06</b>	<b>9707.17</b>

## 31 Other expenses

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	3185.37	3391.43
Power and fuel	8689.29	7931.96
Contract wages	5882.82	5602.39
Repairs and maintenance		
Plant and machinery (excluding stores and spares consumption)	3077.95	3004.40
Buildings	408.38	497.38
Others	2447.05	1944.73
Carriage outwards	23469.45	20706.32
Packing expenses	588.43	564.01
Rent	1180.24	1505.70
Rates and taxes	501.88	557.00
Insurance	689.20	492.29
Professional, consultancy and legal expenses	2522.12	2846.31
Advertisement and sales promotion	6818.68	6619.54
Travelling and conveyance	1127.80	3153.46
Commission on sales	904.61	705.70
Directors' commission	120.00	85.00
Directors' fee	59.75	59.50
Donations (refer note (i) below)	104.00	308.42
Royalty	1700.30	1393.55
Net loss on sale of property, plant and equipment	83.73	64.67
Provision for impairment of receivables, advances and other assets, net	(232.88)	616.53
Bad debt written off	255.24	167.69
Fair value loss on financial assets measured at fair value through profit and loss	158.83	-
Net loss on foreign currency transactions	-	49.15
Expenditure on corporate social responsibility (refer note 32)	308.49	223.35
Miscellaneous	2768.19	2995.37
	<b>66818.92</b>	<b>65485.85</b>

### Note:

(i) Donations include ₹ NIL (31 March 2020: 300.25 lacs) contribution made to Electoral Trust.



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 32 Details of corporate social responsibility expenditure

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
a) Gross amount required to be spent by the Company during the year	235.98	223.83
b) Amount spent during the year (in cash) :		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	308.49	226.01

## 33 Discontinued operations

Refer accounting policy in note 3(v)

The Board of Directors at their meeting held on 16 January 2020 approved the sale and transfer of the Group's calcium silicate insulation products division operated under the brand "HYSIL" to Calderys India Refractories Limited through a slump sale arrangement on a going concern basis, subject to completion of certain conditions precedent set out in the Business Transfer Agreement ("BTA"). Accordingly, the sale and transfer of business was completed on 10 July 2020 with a purchase consideration of ₹ 7764 lacs as per the terms of BTA.

This division was classified as held for sale or discontinuing operations in the earlier year. The statement of profit and loss has been represented to show the discontinued operations separately from continuing operations.

### A. Results of discontinued operations

(₹ in lacs)

Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Total Income		449.44	3925.92
Expenses		371.63	3058.50
<b>Results from operating activities</b>		<b>77.81</b>	<b>867.42</b>
Income-tax	34	19.83	169.49
<b>Results from operating activities, net of tax</b>		<b>57.98</b>	<b>697.93</b>
Profit on sale of discontinued operation		6056.14	-
Income-tax on gain on sale of discontinued operation		1563.86	-
<b>Profit from discontinued operation</b>		<b>4550.26</b>	<b>697.93</b>

The profit from discontinuing operations of ₹ 4550.26 lacs (31 March 2020: ₹ 697.93 lacs) and the profit from continuing operations of ₹ 21424.69 lacs (31 March 2020: ₹ 9897.44 lacs) is attributable entirely to the owners of the Group.

### B. Cash flows from discontinued operations

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net cash from operating activities	110.98	1012.75
Net cash from investing activities	7766.47	10.11
Net cash used in financing activities	-	(1022.86)
<b>Net cash flows for the year</b>	<b>7877.45</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 33 Discontinued operations (Continued)

### C. Effect of disposal on the financial position of the Group

(₹ in lacs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>I ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	1169.98	1172.78
(b) Financial assets		
(i) Loans	6.00	37.13
<b>Current assets</b>		
(a) Inventories	200.51	237.29
(b) Financial assets		
(i) Trade receivables	276.36	358.22
(ii) Other financial assets	2.06	1.98
(c) Other current assets	-	59.49
<b>TOTAL ASSETS</b>	<b>1654.91</b>	<b>1866.89</b>
<b>II LIABILITIES</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	-	(3.73)
(b) Provisions	(110.52)	(7.17)
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	-	(1.73)
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	(5.53)	(6.89)
Total outstanding dues of creditors other than micro enterprises and small enterprises	(149.93)	(305.72)
(iii) Other financial liabilities	(13.96)	(83.89)
(b) Other current liabilities	-	(44.50)
(c) Provisions	(21.34)	(24.32)
<b>TOTAL LIABILITIES</b>	<b>(301.28)</b>	<b>(477.95)</b>
<b>III ASSETS NET OF LIABILITIES</b>	<b>1353.63</b>	<b>1388.94</b>
Consideration received, satisfied in cash	7763.64	-
Cash and cash equivalents disposed of	-	-
Expenses directly related to the sale of discontinued operations	(353.87)	-
<b>IV NET CASH INFLOWS</b>	<b>6056.14</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 34 Income-tax

### (A) Amount recognised in consolidated statement of profit and loss - Continuing operations

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax	8422.16	4231.84
Income-tax for earlier years	169.39	(38.22)
Deferred tax attributable to temporary differences	(852.00)	(1400.34)
<b>Tax expenses</b>	<b>7739.55</b>	<b>2793.28</b>

### Amount recognised in consolidated statement of profit and loss - Discontinued operations

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Tax expense	1583.69	169.49
	<b>1583.69</b>	<b>169.49</b>

This has been included in determination of profit / (loss) from discontinued operation net of tax (refer note 33).

### (B) Amount recognised in other comprehensive income ("OCI")

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax related to items recognised in OCI		
Deferred tax income on remeasurements of defined benefit plans	49.38	31.27
Deferred tax income / (expense) on fair value gain on investments in equity instruments through OCI	5.53	(2.15)
<b>Deferred tax income recognised in OCI</b>	<b>54.91</b>	<b>29.12</b>

### (C) Reconciliation of effective tax rate

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	35184.17	13558.14
Enacted tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	8855.15	3412.31
Tax effect of:		
Differences in tax rates in foreign jurisdictions	637.94	262.14
Non-deductible tax expenses	(218.34)	433.95
Tax exempt income	-	(0.09)
Rate difference	(154.60)	(11.91)
Tax incentives	7.70	55.56
Change in Rate	-	(1150.77)
Others	(28.91)	(0.20)
	<b>9098.94</b>	<b>3000.99</b>
Adjustments in respect of income-tax for earlier years	169.39	(38.22)
<b>Income-tax recognised in the consolidated statement of profit and loss</b>	<b>9268.33</b>	<b>2962.77</b>

During the quarter ended 30 September 2019, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income-tax for the year ended 31 March 2020 and re-measured its deferred tax assets / liabilities based on the rate prescribed in the said section. The impact of this change has been recognised in the statement of profit and loss over the period from 01 July 2019 to 31 March 2020.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 34 Income-tax (Continued)

(D) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
<b>Deferred tax liabilities</b>		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	13225.99	13493.60
Fair value gain on derivatives	181.73	168.65
Others	239.84	212.90
<b>Total deferred tax liabilities (A)</b>	<b>13647.56</b>	<b>13875.15</b>
<b>Deferred tax assets</b>		
Allowable for tax purposes on payment basis	1565.27	1642.62
Provision for doubtful trade receivables	623.02	671.94
Voluntary early retirement scheme	16.47	34.64
Others	959.70	404.60
<b>Total deferred tax assets (B)</b>	<b>3164.46</b>	<b>2753.80</b>
<b>Net deferred tax liability (A-B)</b>	<b>10483.10</b>	<b>11121.35</b>

(E) Movement in temporary differences:

(₹ in lacs)

Particulars	Balance as at 01 April 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Foreign currency translation impact	Balance as at 31 March 2020	Recognised in profit or loss during 2020-21	Recognised in OCI during 2020-21	Recognised in share of profit of equity accounted investees	Foreign currency translation impact	Balance as at 31 March 2021
<b>Deferred tax liabilities</b>										
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in books of account	15170.29	(2163.07)	-	486.38	13493.60	(532.66)	-	-	265.05	13225.99
Fair valuation gain in derivatives	223.48	(54.14)	-	(0.69)	168.65	13.66	-	-	(0.58)	181.73
Other items	232.01	(31.54)	2.15	10.28	212.90	26.17	(5.53)	10.90	(4.60)	239.84
<b>Total deferred tax liabilities (A)</b>	<b>15625.78</b>	<b>(2248.75)</b>	<b>2.15</b>	<b>495.96</b>	<b>13875.15</b>	<b>(492.83)</b>	<b>(5.53)</b>	<b>10.90</b>	<b>259.87</b>	<b>13647.56</b>
<b>Deferred tax assets</b>										
Allowable for tax purposes on payment basis	2398.33	(779.86)	31.27	(7.12)	1642.62	(148.74)	-	-	71.39	1565.27
Provision for doubtful trade receivables	805.21	(133.27)	-	-	671.94	(48.92)	-	-	-	623.02
Voluntary early retirement scheme	115.43	(80.79)	-	-	34.64	(18.01)	-	-	(0.16)	16.47
Other items	247.85	145.23	-	11.52	404.60	563.94	49.38	-	(58.22)	959.70
<b>Total deferred tax assets (B)</b>	<b>3566.82</b>	<b>(848.69)</b>	<b>31.27</b>	<b>4.40</b>	<b>2753.80</b>	<b>348.27</b>	<b>49.38</b>	<b>-</b>	<b>13.01</b>	<b>3164.46</b>
<b>Net deferred tax (asset) / liability (A-B)</b>	<b>12058.96</b>	<b>(1400.06)</b>	<b>(29.12)</b>	<b>491.56</b>	<b>11121.35</b>	<b>(841.10)</b>	<b>(54.91)</b>	<b>10.90</b>	<b>246.86</b>	<b>10483.10</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 35 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.

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, Colour Coated Sheets and Non-asbestos Cement Sheets
Building Solutions	Manufacturing and distributing Fly Ash Blocks, Aerocon 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)

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
(a) Roofing solutions	89440.23	73317.20
(b) Building solutions	27741.71	31942.34
(c) Polymer solutions	38423.03	25448.98
(d) Flooring solutions	148126.05	123889.90
(e) Others	868.34	1254.32
<b>Total</b>	<b>304599.36</b>	<b>255852.74</b>
Less: Inter segment revenue	242.05	362.12
<b>Revenue / Income from continuing operations</b>	<b>304357.31</b>	<b>255490.62</b>
<b>Revenue / Income from discontinued operations (refer note 33)</b>	<b>449.43</b>	<b>3920.83</b>
<b>Revenue / Income from continuing and discontinued operations</b>	<b>304806.74</b>	<b>259411.45</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 35 Operating segments (Continued)

### 2 Segment results

Profit before tax from segments

(₹ in lacs)		
Particulars	31 March 2021	31 March 2020
(a) Roofing solutions	20780.05	13230.46
(b) Building solutions	1554.10	1793.54
(c) Polymer solutions	2684.90	(333.82)
(d) Flooring solutions	10675.26	5038.20
(e) Others	346.09	807.51
<b>Total</b>	<b>36040.40</b>	<b>20535.89</b>
Less:		
i) Interest	1579.84	2862.20
ii) Other un-allocable expenditure net-off un-allocable income	5296.32	4982.97
<b>Total profit before tax from continuing operations</b>	<b>29164.24</b>	<b>12690.72</b>
<b>Total profit before tax from discontinued operations (refer note 33)</b>	<b>6133.95</b>	<b>867.42</b>
<b>Total profit before tax from continuing and discontinued operations</b>	<b>35298.19</b>	<b>13558.14</b>

### 3 Segment assets

(₹ in lacs)		
Particulars	31 March 2021	31 March 2020
(a) Roofing solutions	37000.23	42241.15
(b) Building solutions	22800.95	24737.44
(c) Polymer solutions	24999.87	23803.27
(d) Flooring solutions	107003.78	102710.88
(e) Others	3900.65	4812.51
(f) Unallocated	15642.22	15268.17
<b>Total assets - continuing operations</b>	<b>211347.70</b>	<b>213573.42</b>
<b>Total assets - discontinued operations (refer note 33)</b>	<b>-</b>	<b>1866.89</b>
<b>Total assets - continuing and discontinued operations</b>	<b>211347.70</b>	<b>215440.31</b>

### 4 Segment liabilities

(₹ in lacs)		
Particulars	31 March 2021	31 March 2020
(a) Roofing solutions	17312.04	20531.30
(b) Building solutions	6932.18	7158.04
(c) Polymer Solutions	6410.03	5020.50
(d) Flooring Solutions	59463.16	58212.93
(e) Others	158.89	315.49
(f) Unallocated	21544.66	49451.79
<b>Total liabilities - continuing operations</b>	<b>111820.96</b>	<b>140690.05</b>
<b>Total liabilities - discontinued operations (refer note 33)</b>	<b>-</b>	<b>477.95</b>
<b>Total liabilities - continuing and discontinued operations</b>	<b>111820.96</b>	<b>141168.00</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 35 Operating segments (Continued)

### 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.

#### (i) Revenue from external customers

Particulars	(₹ in lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
India	155339.98	134186.30
Europe and other countries	149466.75	125225.15
	<b>304806.73</b>	<b>259411.45</b>

#### (ii) Carrying amount of non-current assets (excluding derivative assets)

Particulars	(₹ in lacs)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
India	63958.37	64998.75
Europe and other countries	57755.13	56262.13
	<b>121713.50</b>	<b>121260.88</b>

### 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.

## 36 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.

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
Contribution to provident fund	4983.80	4345.93
Contribution to employees state insurance schemes	134.80	257.27
Contribution to superannuation fund	23.99	30.88
	<b>5142.59</b>	<b>4634.08</b>

\*Including expense related to discontinued operations.

#### (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', 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 liquidity risk, interest rate risk, investment risk, etc.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 36 Employee benefits (Continued)

**Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

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 2021 (31 March 2020: 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:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	1965.01	1600.69
Current service cost	212.34	206.15
Interest cost	126.05	123.52
Re-measurement (or actuarial) (gain) / loss arising from:		
– change in demographic assumptions	–	0.39
– change in financial assumptions	37.43	92.33
– experience variance (i.e. actual experience vs assumptions)	(74.07)	33.43
Benefits paid	(135.02)	(91.50)
Employees transferred through slump sale (refer note 33)	(110.52)	–
<b>Balance at the end of the year</b>	<b>2021.22</b>	<b>1965.01</b>
<i>Reconciliation of the present value of plan assets</i>		
Balance at the beginning of the year	1717.48	1436.18
Interest income	114.99	110.82
Contributions paid into the plan	48.31	43.05
Benefits paid	(8.16)	(3.98)
Return on plan assets, excluding amount recognised in net interest expense	(1.12)	131.41
<b>Balance at the end of the year</b>	<b>1871.50</b>	<b>1717.48</b>
<b>Net defined benefit liability recognised in consolidated balance sheet*</b>	<b>149.72</b>	<b>247.53</b>
* Including liabilities directly associated with Disposal group (refer note 33).		
<i>Expense recognised in consolidated statement of profit and loss*</i>		
Current service cost	212.34	206.15
Net Interest cost on the net defined benefit liability	11.06	12.69
	<b>223.40</b>	<b>218.84</b>
*Including expense related to discontinued operations.		
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial (gain) / loss on defined benefit obligation	(36.65)	126.15
Return on plan assets, excluding amount recognised in net interest expense	1.12	(131.41)
	<b>(35.53)</b>	<b>(5.26)</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 36 Employee benefits (Continued)

### Plan assets

Plan assets comprises of the following:

Particulars	31 March 2021	31 March 2020
Fund managed by LIC	100%	100%

### ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2021	31 March 2020
Discount rate	6.70%	6.70%
Future salary growth	8.00%	6.00 to 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)

Equity shares	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Effect of 1% change in the assumed discount rate	1863.13	2204.09	1811.41	2142.45
Effect of 1% change in the assumed salary growth rate	2199.94	1863.54	2139.08	1811.24
Effect of 0.5% change in the assumed attrition rate	1982.75	2071.03	1926.86	2014.18

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 ₹ 378.27 lacs to the plan for the next annual reporting period (31 March 2020: ₹ 483.98 lacs).

### Maturity profile of the defined benefit obligation

Expected cash flows

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
Within 1 year	215.54	189.21
2 to 5 years	786.44	800.92
6 to 10 years	849.81	862.38
More than 10 years	2216.53	2094.46

As at 31 March 2021, the weighted average duration of the defined benefit obligation was 8 years (31 March 2020: 8 years).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 36 Employee benefits (Continued)

### (c) Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### 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 2021 and 31 March 2020.

#### 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:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
<i>Reconciliation of present value of defined benefit obligation</i>		
Balance at the beginning of the year	2673.71	2440.70
Acquired through business combination	-	-
Current service cost	48.29	40.66
Interest cost	39.36	35.32
Re-measurement (or actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(0.69)	(0.17)
- change in financial assumptions	102.11	36.37
- experience variance (i.e. actual experience vs assumptions)	74.66	81.35
Benefits paid	(142.61)	(127.49)
Foreign exchange fluctuation	-	166.98
<b>Balance at the end of the year</b>	<b>2885.43</b>	<b>2673.72</b>
<i>Reconciliation of the present value of plan assets</i>		
Balance at the beginning of the year	193.17	171.12
Interest income	3.53	2.60
Contributions paid into the plan	12.01	10.93
Return on plan assets, excluding amount recognised in net interest expense	(3.80)	(3.47)
Foreign exchange fluctuation	6.53	11.99
<b>Balance at the end of the year</b>	<b>211.44</b>	<b>193.17</b>
<b>Net defined benefit liability recognised in consolidated balance sheet</b>	<b>2673.99</b>	<b>2480.55</b>
<i>Expense recognised in consolidated statement of profit and loss</i>		
Current service cost	48.29	40.66
Net Interest cost on the net defined benefit liability / (assets)	35.84	32.73
	<b>84.13</b>	<b>73.39</b>
<i>Remeasurements recognised in other comprehensive income</i>		
Actuarial loss on defined benefit obligation	167.04	117.55
Return on plan assets, excluding amount recognised in net interest expense	3.80	3.47
	<b>170.84</b>	<b>121.02</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 36 Employee benefits (Continued)

### Plan assets

Plan assets comprises of the following:

Particulars	31 March 2021	31 March 2020
Fund managed by Neue Leben Lebensversicherungs AG for the fund created for liability of one of the subsidiary company	100%	100%

### ii. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	31 March 2021	31 March 2020
Discount rate	0.70 to 1.00%	0.70 to 1.70%
Future salary growth	0.00 to 2.40%	0.00 to 3.10%
Pension Increase rate	1.75%	1.75%
Attrition rate	5.95%	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)

Equity shares	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Effect of 0.5% change in the assumed discount rate	2713.40	3076.02	2092.74	2360.51
Effect of 0.25% change in the assumed pension rate	2939.13	2834.02	2274.87	2166.46

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 ₹ 11.47 lacs to the plan for the next annual reporting period (31 March 2020: 11.51 lacs).

### Maturity profile of the defined benefit obligation

Expected cash flows

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
Within 1 year	140.54	130.70
2 to 5 years	468.27	438.07
More than 5 years	459.58	468.21
More than 10 years	-	-

At 31 March 2021, the weighted average duration of defined benefit obligation was 12.66 years (31 March 2020: 12.22 years).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 37 Earnings per share ("EPS")

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
(a) Net profit attributable to the equity shareholders - Continuing operations	21424.69	9897.44
(b) Net profit attributable to the equity shareholders - Discontinued operations	4550.26	697.93
(c) Weighted average number of equity shares outstanding during the year	7487939	7475622
(d) Effect of potential equity shares on employee stock options outstanding	25193	15456
(e) Weighted average number of equity shares outstanding for computing diluted earnings per share [(c) + (d)]	7513132	7491078
(f) Nominal value of equity shares (in ₹)	10.00	10.00
<b>Continuing Operations</b>		
(g) Basic earnings per share (in ₹) [(a)/(c)]	286.12	132.40
(h) Diluted earnings per share (in ₹) [(a)/(e)]	285.16	132.12
<b>Discontinued Operations</b>		
(i) Basic earnings per share (in ₹) [(b)/(c)]	60.77	9.34
(j) Diluted earnings per share (in ₹) [(b)/(e)]	60.56	9.32
<b>Continuing and Discontinued Operations</b>		
(k) Basic earnings per share (in ₹) [(a+b)/(c)]	346.89	141.73
(l) Diluted earnings per share (in ₹) [(a+b)/(e)]	345.72	141.44

## 38 Capital commitments

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	631.08	1920.95

## 39 A. Contingent liabilities (not provided for) in respect of:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
(a) Demand raised by the Income-tax authorities, being disputed by the Group*	803.61	803.58
(b) Demands raised by sales tax authorities, being disputed by the Group**	2258.15	2083.98
(c) Demands (including penalties) raised by excise authorities, being disputed by the Group***	731.58	874.60
(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	1467.69	1469.42
(f) Demand for property tax, being disputed by the Group	252.15	252.15
(g) Other claims against the group not acknowledged as debts ****	286.64	286.64
(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. The National Green Tribunal ("NGT"), New Delhi, disposed off the above case in the previous year, directing that the restoration of mine to be carried out by State of Jharkhand; and filing of claims by the victims before the District Judge, Chaibasa for adjudication. Aggrieved by some of the findings in the aforesaid Orders and subsequent Orders passed by NGT, the Company filed a Civil Appeal before the Honourable Supreme Court of India. The Honourable Supreme Court of India directed to issue notice to the other parties and maintain Status Quo in the meantime. During the current year, the District Mining Officer, Chaibasa, has sought payment of environment compensation of ₹ 1344 lacs from the Company which is in wilful disobedience of the aforesaid order passed by the Honourable Supreme Court. The Company has responded accordingly. In view of the aforesaid Status Quo Order, the further proceedings before NGT are being adjourned from time to time during the year. Management believes that the final outcome of the above matter is not expected to be material on the financial statements.		

\* Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 39 A. Contingent liabilities (not provided for) in respect of (Continued):

\*\* 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.

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 during the earlier year. The Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

## 40 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 2021	31 March 2020
Supercor Industries Limited	Joint venture	Nigeria	33%	33%
Parador (Shanghai) Trading Co., Ltd.	Joint venture	China	50%	50%

Name of the related party	Nature of relationship
<b>Key Management personnel</b>	
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 (resigned w.e.f. 13 August 2020)
Mr. Ashish Malhotra	Company Secretary and Head - Legal (joined on 14 August 2020, resigned w.e.f. 30 September 2020)
Mr. Mahesh Thakar	Company Secretary and Head - Legal (joined on 02 February 2021)
<b>Non-Executive Directors and Independent Directors</b>	
Mr. CK Birla	Chairman (Non-Executive Director)
Mr. Desh Deepak Khetrpal	Non-Executive Director
Mrs. Gauri Rasgotra	Independent Director
Mr. V.V. Ranganathan	Independent Director
Dr. Arvind Sahay	Independent Director

### List of other related parties with whom there are transactions

Birla Buildings Limited
CK Birla Corporate Services Limited
GMMCO Limited
National Engineering Industries Limited
Orient Cement Limited
Orient Electric Limited
Orient Paper and Industries Limited

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 40 Related parties (Continued)

### B. Transactions with related parties

(₹ in lacs)

Related party	Nature of transactions	31 March 2021	31 March 2020
Non-Executive Directors and Independent Directors	Sitting fees and commission	179.75	144.50
Managing Director and Chief Executive Officer	Managerial remuneration*	399.87	405.04
	Share based payment	110.10	90.03
Chief Financial Officer	Managerial remuneration*	197.91	193.83
	Share based payment	21.91	12.40
Company Secretary	Managerial remuneration*	71.77	61.16
GMMCO Limited	Purchase of goods	244.46	21.73
	Purchase of services	17.38	-
Orient Electric Limited	Purchase of goods	-	18.95
	Sales of finished goods	-	4.49
National Engineering Industries Limited	Rent paid	93.87	63.15
	Reimbursements	2.63	17.26
	Sales of finished goods	-	4.89
Birla Buildings Limited	Rent paid	29.68	25.68
	Reimbursements	10.03	13.05
CK Birla Corporate Services Limited	Professional services	436.32	529.59
	Brand usage	87.96	40.23
	Reimbursements	3.62	27.08
Orient Paper and Industries Limited	Rent received	66.04	66.04
Orient Cement Limited	Rent received	81.84	81.84
	Sales of finished goods	0.38	13.56

### C. Balances outstanding

(₹ in lacs)

Related party	Details	31 March 2021	31 March 2020
Supercor Industries Limited, Nigeria	Dividend receivable on investments #	9.01	9.01
Non-Executive Directors and Independent Directors	Commission	120.00	85.00
Managing Director and Chief Executive Officer	Managerial remuneration*	88.00	59.31
	Share based payment	215.04	185.17
Chief Financial Officer	Managerial remuneration*	42.25	28.46
	Share based payment	32.06	10.15
Company Secretary	Managerial remuneration*	3.80	7.31
GMMCO Limited	Advance for materials	-	50.42
	Trade payable	0.16	-
Orient Electric Limited	Trade payable	-	1.88
	Trade receivable	-	3.15
Birla Buildings Limited	Rent payable	0.12	-
CK Birla Corporate Services Limited	Trade payables	127.53	45.38
National Engineering Industries Limited	Rent payable	0.09	-

# During earlier 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, compensated absences and other long-term employee benefit plans are 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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 41 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 2021	31 March 2020
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year [(including ₹ 71.69 lacs shown under capital creditors (31 March 2020: ₹ 43.04 lacs) and Nil (31 March 2020: ₹ 6.89 lacs) shown under Disposal group - Liabilities directly associated with assets held for sale];	1051.99	678.57
(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 amounts 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

## 42 Other provisions

(₹ in lacs)

Particulars	Opening balance	Created during the year	Utilised during the year	Exchange differences on translation of foreign operations	Closing balance
<b>(i) For the year 2020-21</b>					
Provision for employee related other costs [refer note (a) below]	-	54.68	-	-	54.68
Provision for litigations [refer note (b) below]	357.95	-	9.37	-	348.58
Provision - others [refer note (c) below]	450.69	20.00	60.69	-	410.00
Provision for warranties [refer note (d) below]	931.29	764.98	482.38	29.26	1243.15
	<b>1739.93</b>	<b>839.66</b>	<b>552.44</b>	<b>29.26</b>	<b>2056.41</b>
<b>(ii) For the year 2019-20</b>					
Provision for employee related other costs [refer note (a) below]	31.46	-	31.46	-	-
Provision for litigations [refer note (b) below]	357.95	-	-	-	357.95
Provision - others [refer note (c) below]	600.00	-	149.31	-	450.69
Provision for warranties [refer note (d) below]	863.57	22.37	13.00	58.35	931.29
	<b>1852.98</b>	<b>22.37</b>	<b>193.77</b>	<b>58.35</b>	<b>1739.93</b>

- (a) The wage agreement at five of the manufacturing locations (31 March 2020: at none) of the Group are pending as at 31 March 2021.
- (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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 43 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 employee stock option schemes. The relevant details of these schemes and grants 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 (ESOP scheme 2015) for issue of stock options to identified employees of the Group.

On 12 August 2019 the Nomination and Remuneration cum Compensation Committee of the Board of Directors of the Company approved the HIL Employees Stock Option Scheme 2019 (ESOP scheme 2019) 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. The relevant terms of the grant as mentioned in the ESOP scheme 2015 and ESOP scheme 2019 are as below:

Particulars	ESOP scheme 2019	ESOP scheme 2015	
	Grant I	Grant I	Grant II
Date of grant	14 October 2019	17 August 2015	27 July 2017
Number of options outstanding	86867	-	21360
Vesting period	40% - end of year 3	40% - end of year 3	40% - end of year 3
	60% - end of year 4	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	4 years from the respective dates of vesting
Exercise price (₹)	1234.15	620.00	620.00
Weighted average market price (₹)	1234.15	789.59	1091.02

### 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 2021 and 31 March 2020

Grant date	ESOP scheme 2015			
	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%



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 43 Share based payments (Continued)

Grant date	ESOP scheme 2019	
	Grant I	
	Tranche 1	Tranche 2
	14 October 2019	
Fair value at grant date (₹)	470.38	470.38
Exercise price (₹)	1234.15	1234.15
Expected volatility (weighted average volatility)	37.62%	37.89%
Risk-free interest rate (based on government bonds)	6.32%	6.56%
Time to maturity (in years)	5.00	6.00
Expected dividends yields	2.05%	2.05%

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 6.13 years (31 March 2020: 6.54 years).

### C. Reconciliation of outstanding share options

The details of activity under "ESOP scheme 2015 and ESOP scheme 2019" are summarised below:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
	No. of options	No. of options
Outstanding at the beginning of the year	130967	42560
Granted during the year	-	105049
Cancelled during the year*	8500	9682
Vested and exercised during the year	14240	6960
Outstanding at the end of the year	108227	130967

\* 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 2021 was ₹ 1244.29 (31 March 2020: ₹ 1285.25).

### D. Expense recognised in the consolidated statement of profit and loss

For details on the employee benefits expense, refer note 28.

## 44 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
<b>As at 31 March 2021</b>	USD	35	11137717	For hedging of trade payables
	USD	4	2013000	For hedging of loan receivables and interest
	EUR	18	8678037	For hedging of loan receivables
<b>As at 31 March 2020</b>	USD	23	5665686	For hedging of trade payables
	USD	3	1129838	For hedging of buyers credit facility
	USD	4	2263000	For hedging of loan receivables and interest
	EUR	27	13750000	For hedging of loan receivables
	EUR/USD	2	1885000	For hedging of loan receivables and interest

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 45 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 ₹ 171.06 lacs (31 March 2020: ₹ 229.57 lacs) on generation of power, and recorded profit of ₹ 41.62 lacs (31 March 2020: ₹ 71.62 lacs).

## 46 Equity accounted investees

### Interest in joint venture

The Group's interest in a joint venture company is as follows:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
<b>Investment in equity instruments - unquoted- at cost less provision for other than temporary impairment</b>		
Supercor Industries Limited, Nigeria: 4125000 equity shares of Naira 1 each fully paid (31 March 2020 : 4125000 equity shares of Naira 1 each fully paid)	142.60	142.60
Less: Provision for investment in joint venture	(142.60)	(142.60)
Parador (Shanghai) Trading Co., Ltd., China: One share of 100000 Euro each (31 March 2020 : One share of 100000 Euro each)	232.79	121.38
	<b>232.79</b>	<b>121.38</b>
Aggregate amount of unquoted non-current investments	375.39	263.98
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 2020	JV established for manufacture of asbestos cement sheets
Parador (Shanghai) Trading Co., Ltd	China	50%	31 March 2021	JV established for trading of Flooring Solutions products

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 46 Equity accounted investees (Continued)

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 2021	31 March 2020
<b>Parador (Shanghai) Trading Co., Ltd.</b>		
Percentage of ownership interest	50%	50%
Non-current assets	39.99	39.18
Current assets	1398.71	1091.14
Non-current liabilities	-	-
Current liabilities	(932.74)	(850.71)
<b>Net Assets</b>	<b>505.96</b>	<b>279.61</b>
Group's share	252.99	139.80
Unrealised profit eliminations	(20.20)	(18.42)
<b>Group's share of net assets (50%)</b>	<b>232.79</b>	<b>121.38</b>
<b>Carrying amount of interest in joint venture</b>	<b>232.79</b>	<b>121.38</b>
Group's share of profit / (loss)	114.02	63.69
Group's share of other comprehensive income	-	-
<b>Group's share of total comprehensive income</b>	<b>114.02</b>	<b>63.69</b>

During the year ended 31 March 2021, the Group has received net dividends amounting to ₹ 14.25 lacs (31 March 2020: NIL) from the joint venture with Parador (Shanghai) Trading Co., Ltd.

### Note:

- a) The Group holds 33% stake in Supercor Industries Limited ("Supercor") and its investment in Supercor as at 31 March 2021 amounts to ₹ Nil (31 March 2020: ₹ Nil), after considering the provision for diminution in value of investments amounting to ₹ 142.60 lacs (31 March 2020: ₹ 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.

## 47 Leases - 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 agreements:

(₹ in lacs)

Particulars	31 March 2021	31 March 2020
Not later than one year	378.35	443.00
Later than one year and not later than five years	215.39	462.63
Later than five years	-	-

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 48 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:

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
Total debt	41034.68	74104.37
<b>Total debt (A)</b>	<b>41034.68</b>	<b>74104.37</b>
Total equity	99526.74	74272.31
<b>Total equity (B)</b>	<b>99526.74</b>	<b>74272.31</b>
<b>Total debt to total equity ratio (A/B)</b>	<b>0.41</b>	<b>1.00</b>

## 49 Expenditure incurred on research and development

Revenue expenditure debited to respective heads of accounts includes expenditure incurred on Research and Development during the year amounting to ₹ 443.60 lacs (31 March 2020: ₹ 363.67 lacs) and assets / equipment purchased for research activities of ₹ 23.49 lacs (31 March 2020: ₹ 22.47 lacs) disclosed under Property, plant and equipment.

## 50 Expenditure during construction period (included in capital work-in-progress)

Particulars	(₹ in lacs)	
	31 March 2021	31 March 2020
<b>Balance brought forward</b>	<b>42.76</b>	<b>36.31</b>
<b>Expenditure incurred during the year</b>		
Cost of material consumed	29.45	5.08
Employee benefits expense	16.60	-
Consumption of stores and spares	1.68	0.26
Contract wages	6.77	8.16
Power and fuel	10.78	15.00
Rent	-	0.36
Insurance	0.38	-
Professional, consultancy and legal expenses	33.06	45.87
Travelling and conveyance	3.45	18.15
Miscellaneous expenses	6.20	9.35
<b>Total expenditure during construction period</b>	<b>108.37</b>	<b>102.23</b>
Less: Turnover	21.59	-
Less: Stocks of finished goods out of trial run production	18.90	-
<b>Total</b>	<b>110.64</b>	<b>138.54</b>
Allocated to property, plant and equipment	104.64	95.78
Balance carried forward	6.00	42.76

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 51 Impact of COVID - 19

As a result of the nationwide lockdown imposed by the Government of India, the operations of the Company were temporarily disrupted at its various manufacturing facilities impacting production and dispatches from the second half of March 2020. The Company had resumed operations since last week of April 2020 / first week of May 2020 in compliance with the guidelines issued by respective authorities and is continuing to take adequate precautions for safety and wellbeing of its employees. In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious. The Company has considered the possible impact of COVID-19 in preparation of the above results. The impact of the global health pandemic may be different from that estimated as at the date of approval of results. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

**52** The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by 31 October 2021, as required by law. The Management confirms that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

**53** 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.

## 54 Leases - In the capacity of lessee

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.

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

### Under Ind AS 116

The Group has elected the practical expedient and therefore is permitted not to re-assess whether existing contracts contains a lease as defined under Ind AS 116 at the initial application date.

On transition to Ind AS 116, the Group recognised right-of-use assets amounting to ₹ 2419.38 lacs and lease liabilities amounting to ₹ 1517.38 lacs. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 01 April 2019. The discount rate applied for the company is 8.65% p.a. Discount rate applied for the subsidiary is 2.00% p.a

The following tables summarise the movement in lease liabilities:

Particulars	(₹ in lacs)	
	As at 31 March 2021	As at 31 March 2020
Balance at the beginning	1773.92	-
Transfer on account of adoption of Ind AS 116	-	2203.26
Additions	1609.31	-
Interest expenses*	79.79	86.48
Deletions	(164.64)	-
Payment of lease liabilities	(1300.17)	(558.13)
Exchange differences on translation of foreign operations	54.19	42.29
<b>Balance at the end</b>	<b>2052.40</b>	<b>1773.91</b>

\*Including expense related to discontinued operations.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 54 Leases - In the capacity of lessee (Continued)

As at balance sheet date, the Group is not exposed to future cash flows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Group has taken certain rented premises on lease with contract terms within one year. These leases are short-term in nature and the Group has elected not to recognise right-of-use-assets and lease liabilities for these assets. The Group has incurred following expenses relating to short-term leases for which the recognition exemption has been applied (refer note 31).

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses relating to short term leases* (refer note 31)	1180.31	1507.85
Expenses relating to low value leases	-	-

The following are the amounts recognised in consolidated statement of profit and loss

(₹ in lacs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Right-of-use assets*	922.02	547.96
Interest expenses*	79.79	86.49
	<b>1001.81</b>	<b>634.45</b>
Amounts recognised in Statement of Cash flows		
Payment of lease liabilities	1300.17	558.13
	<b>1300.17</b>	<b>558.13</b>

\*Including expense related to discontinued operations.

## 55 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

### 31 March 2021

(₹ 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 % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
HIL Limited	88.07%	87651.49	72.28%	18774.76	0.87%	7.96	69.85%	18782.72
<b>Subsidiary</b>								
HIL International GmbH	39.41%	39224.89	27.77%	7213.84	97.14%	887.57	30.13%	8101.40
Adjustment arising out of consolidation	-27.48%	(27349.64)	-0.05%	(13.65)	1.99%	18.20	0.02%	4.56
<b>Total</b>	<b>100.00%</b>	<b>99526.74</b>	<b>100.00%</b>	<b>25974.95</b>	<b>100.00%</b>	<b>913.73</b>	<b>100.00%</b>	<b>26888.68</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 55 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements (Continued):

31 March 2020

(₹ 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 % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
HIL Limited	94.92%	70502.96	72.41%	7671.70	0.61%	11.19	61.86%	7682.89
<b>Subsidiary</b>								
HIL International GmbH	41.90%	31123.54	27.54%	2918.19	99.39%	1813.19	38.10%	4731.37
Adjustment arising out of consolidation	-36.82%	(27354.19)	0.05%	5.48	-	-	0.04%	5.48
<b>Total</b>	<b>100.00%</b>	<b>74272.31</b>	<b>100.00%</b>	<b>10595.37</b>	<b>100.00%</b>	<b>1824.38</b>	<b>100.00%</b>	<b>12419.74</b>

## 56 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 2021

(₹ 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
<b>Financial assets measured at fair value</b>										
Derivative assets	10	882.45	-	-	-	882.45	-	882.45	-	882.45
Investments in mutual funds	7	3002.72	-	-	-	3002.72	3002.72	-	-	3002.72
Investments in equity instruments	7	-	32.04	-	-	32.04	-	-	32.04	32.04
		<b>3885.17</b>	<b>32.04</b>	-	-	<b>3917.21</b>	<b>3002.72</b>	<b>882.45</b>	<b>32.04</b>	<b>3917.21</b>
<b>Financial assets not measured at fair value</b>										
Trade receivables	8	-	-	9653.48	-	9653.48	-	-	-	9653.48
Loans	9	-	-	1066.38	-	1066.38	-	-	-	1066.38
Other financial assets	10	-	-	7880.18	-	7880.18	-	-	-	7880.18
Cash and cash equivalents	13	-	-	12691.39	-	12691.39	-	-	-	12691.39
Other bank balances	14	-	-	323.28	-	323.28	-	-	-	323.28
		-	-	<b>31614.71</b>	-	<b>31614.71</b>	-	-	-	<b>31614.71</b>
<b>Financial liabilities measured at fair value</b>										
Derivative liabilities	20	29.10	-	-	-	29.10	-	29.10	-	29.10
		<b>29.10</b>	-	-	-	<b>29.10</b>	-	<b>29.10</b>	-	<b>29.10</b>
<b>Financial liabilities not measured at fair value</b>										
Borrowings	17	-	-	-	34865.98	34865.98	-	-	-	34865.98
Lease Liabilities	18	-	-	-	2052.40	2052.40	-	-	-	2052.40
Trade payables	19	-	-	-	32048.05	32048.05	-	-	-	32048.05
Other financial liabilities	20	-	-	-	19354.48	19354.48	-	-	-	19354.48
		-	-	-	<b>88320.91</b>	<b>88320.91</b>	-	-	-	<b>88320.91</b>

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities 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 2021

## 56 Financial instruments - fair values and risk management (Continued)

### A. Accounting classifications and fair values (Continued)

31 March 2020

(₹ 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
<b>Financial assets measured at fair value</b>										
Derivative assets	10	1340.70	-	-	-	1340.70	-	1340.70	-	1340.70
Investments in mutual funds	7	1600.03	-	-	-	1600.03	1600.03	-	-	1600.03
Investments in equity instruments	7	-	56.17	-	-	56.17	-	-	56.17	56.17
		<b>2940.73</b>	<b>56.17</b>	<b>-</b>	<b>-</b>	<b>2996.90</b>	<b>1600.03</b>	<b>1340.70</b>	<b>56.17</b>	<b>2996.90</b>
<b>Financial assets not measured at fair value</b>										
Trade receivables	8	-	-	12197.79	-	12197.79	-	-	-	-
Loans	9	-	-	1042.29	-	1042.29	-	-	-	-
Other financial assets	10	-	-	6910.24	-	6910.24	-	-	-	-
Cash and cash equivalents	13	-	-	8620.79	-	8620.79	-	-	-	-
Other bank balances	14	-	-	289.49	-	289.49	-	-	-	-
		<b>-</b>	<b>-</b>	<b>29060.60</b>	<b>-</b>	<b>29060.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities measured at fair value</b>										
Derivative liabilities	20	127.56	-	-	-	127.56	-	127.56	-	127.56
		<b>127.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127.56</b>	<b>-</b>	<b>127.56</b>	<b>-</b>	<b>127.56</b>
<b>Financial liabilities not measured at fair value</b>										
Borrowings	17	-	-	-	63865.89	63865.89	-	-	-	-
Lease liabilities	18	-	-	-	1773.91	1773.91	-	-	-	-
Trade payables	19	-	-	-	32367.54	32367.54	-	-	-	-
Other financial liabilities	20	-	-	-	20864.12	20864.12	-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>118871.46</b>	<b>118871.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The fair value of investments in other securities, trade receivables, loans, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables, lease liabilities 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.

\* Including Disposal group- Assets held for sale and Disposal group - Liabilities directly associated with assets held for sale (refer note 33).

### B. Measurement of fair values

#### i. Valuation technique 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 2020-21 and no transfers in either direction in 2019-20.

#### iii. Level 3 fair values

(₹ in lacs)

Particulars	FVOCI Equity securities
Balance at 01 April 2019	46.75
Net change in fair value (unrealised)	9.42
<b>Balance at 31 March 2020</b>	<b>56.17</b>
Balance at 01 April 2020	56.17
Net change in fair value (unrealised)	(24.13)
<b>Balance at 31 March 2021</b>	<b>32.04</b>



# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 56 Financial instruments - fair values and risk management (Continued)

### B. Measurement of fair values (Continued)

#### 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
<b>2020-21</b>		
Annual growth rate (2.5% movement)	14.50	(6.83)
<b>2019-20</b>		
Annual growth rate (2.5% movement)	16.43	(8.21)

### 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.

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.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 56 Financial instruments - fair values and risk management (Continued)

### C. Financial risk management (Continued)

31 March 2021

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Interest free sales tax loan - secured	4996.94	5348.17	1107.53	2884.82	1355.82	-
Sales tax deferment loan - unsecured	225.31	225.31	88.07	137.24	-	-
Term loan from bank	26883.28	26883.28	4497.03	4515.85	17870.40	-
Working capital loan	8929.15	8929.15	8929.15	-	-	-
Trade payables	32048.05	32048.05	32048.05	-	-	-
Lease liabilities	2052.40	2603.55	880.53	427.90	637.04	658.08
Interest accrued	4.57	4.57	4.57	-	-	-
Capital creditors	359.38	359.38	359.38	-	-	-
Unpaid dividend	79.12	79.12	79.12	-	-	-
Security deposits	4304.67	4304.67	4304.67	-	-	-
Contract liabilities	5255.93	5255.93	5255.93	-	-	-
Other financial liabilities	3182.11	3182.12	3182.12	-	-	-
	<b>88320.91</b>	<b>89223.30</b>	<b>60736.15</b>	<b>7965.81</b>	<b>19863.26</b>	<b>658.08</b>
<b>Derivative financial liabilities</b>						
Derivative liabilities	29.10	29.10	29.10	-	-	-
	<b>29.10</b>	<b>29.10</b>	<b>29.10</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 March 2020

(₹ in lacs)

Particulars	Contractual Cash flows					
	Carrying amount	Total	Upto 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Interest free sales tax loan - secured	4915.97	5348.17	-	1107.53	4240.64	-
Sales tax deferment loan - unsecured	290.21	290.21	64.89	88.07	137.25	-
Term Loan from Bank	49227.63	49161.71	10180.42	9995.66	18574.15	10411.48
Working capital loan	18815.39	18815.39	18815.39	-	-	-
Buyers credit	855.17	855.17	855.17	-	-	-
Trade payables	32367.54	32367.54	32367.54	-	-	-
Lease liabilities	1773.91	2325.28	614.61	497.92	591.03	621.72
Interest accrued	125.85	125.85	125.85	-	-	-
Capital creditors	374.02	374.02	374.02	-	-	-
Unpaid dividend	81.72	81.72	81.72	-	-	-
Security deposits	4600.41	4600.41	4600.41	-	-	-
Contract liabilities	3556.41	3556.41	3556.41	-	-	-
Other financial liabilities	1887.23	1887.23	1887.23	-	-	-
	<b>118871.46</b>	<b>119789.11</b>	<b>73523.66</b>	<b>11689.18</b>	<b>23543.07</b>	<b>11033.20</b>
<b>Derivative financial liabilities</b>						
Derivative liabilities	127.56	127.56	2.48	-	125.08	-
	<b>127.56</b>	<b>127.56</b>	<b>2.48</b>	<b>-</b>	<b>125.08</b>	<b>-</b>

\* Including Disposal group - Liabilities directly associated with assets held for sale (refer note 33).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 56 Financial instruments - fair values and risk management (Continued)

### C. Financial risk management (Continued)

#### 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 Indian Rupees. 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 and buyers' credit, taken out by the 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):

(₹ in lacs)

Particulars	Currency	As at 31 March 2021			As at 31 March 2020		
		Value in foreign currency	Exchange rate	Amount ₹ in lacs	Value in foreign currency	Exchange rate	Amount ₹ in lacs
Trade payables	USD	(2044163)	71.28	(1457.04)	(6670272)	75.73	(5051.24)
	EUR	(22661)	85.73	(19.43)	(127969)	82.88	(106.07)
	SEK	(2033480)	8.41	(171.08)	(1102016)	7.47	(82.36)
	CHF	(17)	77.31	(0.01)	-	-	-
	DKK	(27828)	11.53	(3.21)	(22880)	11.10	(2.54)
	GBP	6180	102.31	6.32	(1642)	82.83	(1.36)
	PLN	(2781)	18.40	(0.51)	(1250)	18.23	(0.23)
	NOK	(1010)	8.59	(0.09)	(14534)	7.23	(1.05)
Trade receivables	USD	243481	73.12	178.03	254	75.69	0.19
	EUR	7818	85.73	6.70	-	-	-
	GBP	69415	97.92	67.97	243481	95.15	231.66
	SEK	5561105	8.47	471.15	1917031	7.68	147.28
	CHF	270435	78.12	211.27	106520	80.19	85.42
Interest accrued on loan to subsidiaries	EUR	210411	85.73	180.38	534863	82.88	443.32
Cash and bank balances	USD	1871682	73.07	1367.69	45628	93.62	42.72
	GBP	96692	100.61	97.28	287112	75.74	217.44

\* Including Disposal group - Assets held for sale and Disposal group - Liabilities directly associated with assets held for sale (refer note 33).

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 56 Financial instruments - fair values and risk management (Continued)

### C. Financial risk management (Continued)

#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹, 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.

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2021</b>					
(1% movement)	USD	0.89	(0.89)	0.66	(0.66)
	EUR	1.68	(1.68)	1.25	(1.25)
	SEK	3.00	(3.00)	2.25	(2.25)
	CHF	2.11	(2.11)	1.58	(1.58)
	DKK	(0.03)	0.03	(0.02)	0.02
	GBP	1.72	(1.72)	1.28	(1.28)
	PLN	(0.01)	0.01	(0.00)	0.00
	NOK	(0.00)	0.00	(0.00)	0.00
<b>31 March 2020</b>					
(1% movement)	USD	(50.08)	50.08	(37.48)	37.48
	EUR	3.37	(3.37)	2.52	(2.52)
	SEK	0.65	(0.65)	0.49	(0.49)
	CHF	0.85	(0.85)	0.64	(0.64)
	DKK	(0.03)	0.03	(0.02)	0.02
	GBP	4.48	(4.48)	3.35	(3.35)
	PLN	(0.00)	0.00	(0.00)	0.00
	NOK	(0.01)	0.01	(0.01)	0.01

#### 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 2021	31 March 2020
Variable rate borrowings including current maturities	35812.43	68898.19
<b>Total borrowings</b>	<b>35812.43</b>	<b>68898.19</b>

\* Including Disposal group - Liabilities directly associated with assets held for sale (refer note 33).

#### Sensitivity

(₹ in lacs)

Particulars	Impact on profit and loss	
	31 March 2021	31 March 2020
1% increase in interest rate	(358.12)	(688.98)
1% decrease in interest rate	358.12	688.98

The interest rate sensitivity is based on the closing balance of loans from banks.

# Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

## 56 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 2021	9748.73	2072.93	(2168.18)	<b>9653.48</b>
31 March 2020	12739.52	1622.20	(2163.92)	<b>12197.80</b>

The movement in the allowance for impairment in respect of trade receivables is as follows:

(₹ in lacs)		
Particulars	31 March 2021	31 March 2020
Balance as at 01 April	2185.66	1512.73
Amounts written off	-	289.56
Net remeasurement of loss allowance	(17.48)	361.63
<b>Balance as at 31 March</b>	<b>2168.18</b>	<b>2163.92</b>

\* Including Disposal group - Assets held for sale (refer note 33).

As per our Report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/ W-100024

**Vikash Somani**

Partner

Membership No.: 061272

Place: Hyderabad

for and on behalf of the Board of Directors of **HIL Limited**

CIN No.: L74999TG1955PLC000656

**CK Birla**

Chairman

DIN: 00118473

Place: London

**Dhirup Roy Choudhary**

Managing Director and

Chief Executive Officer

DIN: 07707322

Place: Kuala Lumpur

**KR Veerappan**

Chief Financial Officer

Place: Hyderabad

Date: 14 May 2021

**Mahesh Thakar**

Company Secretary and

Head - Legal

Place: Hyderabad

Date: 14 May 2021

# NOTICE OF THE 74<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 74<sup>th</sup> Annual General Meeting of HIL Limited will be held on **Friday, July 30, 2021** at 3:00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

## Ordinary Business

### Item no. 1 : Adoption of Financial Statements (Standalone & Consolidated)

To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.

### Item no. 2 : To confirm the payment of Interim Dividend and Declaration of Final Dividend

To confirm the payment of Interim Dividend of Rs.15.00 per Equity Share and to declare a Final Dividend of Rs.25.00 per Equity Share for the Financial Year 2020-21.

### Item no. 3 : Appointment of Mr. Desh Deepak Khetrupal (DIN: 02362633) as a Director liable to retire by rotation

To appoint a Director in place of Mr. Desh Deepak Khetrupal (DIN: 02362633), who retires by rotation and being eligible, offers himself for appointment.

## Special Business

### Item no.4 : To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2022

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 Rs. 7.00 lacs plus other applicable taxes and actual travel, stay, conveyance and other miscellaneous expenses as remuneration payable to M/s. 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, 2022.

Dated: May 14, 2021  
Place: Bangalore

By Order of the Board  
For **HIL Limited**

**Mahesh Thakar**  
Company Secretary & Head Legal.  
M. No. A23137

## 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 No. 4 of the accompanying Notice:**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

### Item no. 4

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 14, 2021 based on the recommendation of the Audit Committee, appointed M/s. 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 2021-22, at a remuneration of Rs. 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. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2022.

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.4 of the Notice for approval by the shareholders.

Dated: May 14, 2021  
Place: Bangalore

By Order of the Board  
For **HIL Limited**

**Mahesh Thakar**  
Company Secretary & Head Legal.  
M. No. A23137

## NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid-19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. As per the MCA Circulars, owing to the difficulties involved in dispatching of physical copies of the Annual Report 2020-21 including financial statements (along with Board's report, Auditor's report or other documents required to be attached therewith), shall be sent only by email to the members (at their registered email) and to all other persons so entitled. Accordingly, the copy of Annual Report 2020-21 along with notice of the AGM is being sent through email to those members who have registered their email addresses with the Company/ Depository Participant (DP)/Company's Registrar and Transfer Agent (RTA).
3. Members of the Company joining through VC and OVAM shall be reckoned for the purpose of quorum under section 103 of the Act.
4. Pursuant to the provisions of the Companies Act, 2013 ("Act") a Member entitled to attend and vote at the AGM 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. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM are not annexed to this Notice.
5. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorization shall be sent to the Scrutinizer by e-mail on its registered e-mail address to Mohit Gujjar [mohitkamdar@yahoo.co.in](mailto:mohitkamdar@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. Those members whose email IDs are not registered, are requested to register their email ID with Registrar & Share Transfer Agent i.e. [info@vccipl.com](mailto:info@vccipl.com) (R&TA) by writing an email either to the R&TA at [info@vccipl.com](mailto:info@vccipl.com) or to the Company at [cs@hil.in](mailto:cs@hil.in) carrying the following details
  - a. Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card) Name as registered with the R&TA,
  - b. Address, email, Copy of PAN, DPID/Client ID or Folio Number, Number of shares held.
  - c. To update bank account details, please send the following additional documents/ information followed by the hard copies:
    - i. Name of the bank and branch address,
    - ii. Type of bank account i.e., savings or current,
    - iii. Bank account no. allotted after implementation of core banking solutions,
    - iv. 9-digit MICR code no., and 11-digit IFSC code
    - v. Original cancelled cheque bearing
    - vi. the name of the first shareholder, failing which a copy of the bank passbook / statement attested by a bank
  - d. Members holding in DMAT Mode, please contact your DP and follow the process advised by your DP.
7. Post successful registration of the email, the member would get soft copy of the Annual Report 2020-21 along with Notice of the AGM containing the procedure for e-voting along with the User ID and Password to enable casting of vote through remote e-voting or electronic voting at the AGM. In case of any queries, member may write to [info@vccipl.com](mailto:info@vccipl.com) or [cs@hil.in](mailto:cs@hil.in).
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to RTA if the shares are held by them in physical form.
9. The Register of Members and Share Transfer Books of the Company will remain closed from July 24, 2021 to July 30, 2021 (both days inclusive), for annual closing and determining the entitlement of the shareholders to the final dividend for the year ended March 31, 2021.
10. The Company has fixed Friday, July 23, 2021 as the 'Record Date' for determining entitlement of members to final dividend for the Financial Year ended March 31, 2021, if approved at the AGM.

11. If the final dividend, as recommended by the Board of Directors, is approved at the AGM payment of such dividend subject to deduction of tax at source will be made on or after August 8, 2021 as under:
  - a. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on Friday, July 23, 2021;
  - b. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, July 23, 2021.
12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad – 500018.
13. The facility of participation at the AGM through VC will be made available for 1000 members on first come first served basis. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration cum Compensation Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first served basis
14. All other documents referred to in the Explanatory Statement along with Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, are available for inspection on the website of the Company at [www.hil.in](http://www.hil.in) alternatively members can reach out to [cs@hil.in](mailto:cs@hil.in).
15. 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.
16. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
17. Copies of the Annual Report 2020-21 are being sent by electronic mode only to the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes and there is no dispatch of physical copies of Annual Report.
18. 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 M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500018 and have it duly filled and sent back to them.
19. Members wishing to claim dividends, which remain unclaimed are requested to correspond with M/s. Venture Capital and Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad - 500018 (email: [info@vccipl.com](mailto:info@vccipl.com)) Tel: 040-23818475/76; Fax: 040-23868024.
20. The board of directors has appointed Mr. Mohit Gurjar, (CP No. 18644, and Membership No. 20557) of M/s. P.S. Rao & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process and e-voting on the day of Meeting in a fair and transparent manner.
21. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before July 25, 2021 through e-mail on [cs@hil.in](mailto:cs@hil.in). The same will be replied by the Company suitably.
22. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/ RTA (if shares held in physical form)
  - a. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com) by 11:59 p.m. IST on July 23, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com).
  - b. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on July 25, 2021.



23. The Instructions For Members For Remote E-Voting And Joining General Meeting Are As Under:-

**a. Instructions For Members For Remote E-Voting:**

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- ii. **The remote e-voting period begins on Monday, July 26, 2021 at 09:00 A.M. and ends on Thursday, July 29, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e Friday, July 23, 2021 may cast their vote electronically. Members have the option to cast their vote on any of the resolutions using the remote e-Voting facility either during the e-Voting at AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.**
- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate

in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.

- iv. Any person holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

**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: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDEAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;">   </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43</p>

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- 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.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL e-services 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 holding 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. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - 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.
  - How to retrieve your 'initial password'?
    - 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. .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'.
    - If your email ID is not registered, please follow steps mentioned below in the **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
    - "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
    - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - Now, you will have to click on "Login" button.
  - After you click on the "Login" button, Home page of e-Voting will open.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.

4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 Mohit Gujjar [mohitkamdar@yahoo.co.in](mailto:mohitkamdar@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
4. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mrs. Sarita Mote, (Assistant Manager)-NSDL at [SaritaM@nsdl.co.in](mailto:SaritaM@nsdl.co.in) / 022-24994890/

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor\\_relations@vccipl.com](mailto:investor_relations@vccipl.com) or [cs@hil.in](mailto:cs@hil.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investor\\_relations@vccipl.com](mailto:investor_relations@vccipl.com) or [cs@hil.in](mailto:cs@hil.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**b. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the **NSDL e-Voting system**. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ([cs@hil.in](mailto:cs@hil.in) or Mahesh Thakar [mahesh.thakar@hil.in](mailto:mahesh.thakar@hil.in) ). The same will be replied by the company suitably.
- c. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [cs@hil.in](mailto:cs@hil.in), [mahesh.thakar@hil.in](mailto:mahesh.thakar@hil.in), [naresh.miryala@hil.in](mailto:naresh.miryala@hil.in), from July 24, 2021 (9:00 a.m. IST) to July 27, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM**
24. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hil.in](http://www.hil.in) and

on the website of NSDL <https://www.evoting.nsdl.com>. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

25. The Scrutinizer shall, after the conclusion of voting at the AGM, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

Dated: May 14, 2021  
Place: Bangalore

By Order of the Board  
For **HIL Limited**

**Mahesh Thakar**  
Company Secretary & Head Legal.  
M. No. A23137









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ANNUAL REPORT 2019-20

HIL Limited





**TOGETHER, WE BUILD.**

**HIL Limited**

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